

The Weather
New York City and vicinity: Cloudy, warm and humid.
Showers, clearing at night. High near 80. Yesterday's
temperature range to 9 p.m.: High 84; low, 71.

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10 CENTS

U. S. Territories
and possessions

The County Fair

Carnivals, Farm Shows
Fight for the Crowds,
Reshape an Institution

Mrs. Koenig Picks Potatoes;
Barker Extols Jungle Girl;
Total Attendance Grows

Big Hearted Bennie Pays Off

By DONALD C. BACON
Staff Reporter of THE WALL STREET JOURNAL
ALLENTOWN, Pa.—"I got a stove here, a
gleaming white stove, almost brand new and
what'll you bid? \$100? \$100? I got \$108 in the
balcony," chants a back country auctioneer,
talking not for a sale but for the auctioneering
championship of the Allentown fair.

"Ladies and gentlemen, everybody sees the
girls: one quarter, the fourth part of one dollar,
we're showing a red hot rambler show,
step right up, step right in," rasps the bored
yet imperative voice of a sideshow Barker,
offering at least the illusion of sin.

The voices, one rural, the other unmistakably
urban, are competing for more than the passing
crowds at Allentown. They're shaping—by pushing
in opposite directions—one of America's oldest
institutions, the county fair. In many places, espe-
cially New England and more remote parts of the
West and Midwest, September brings county fairs
oriented to the farmer. But in many places, the
term county fair has come to mean carnival—with
pitchmen, hoochie coochie girls, small stake gam-
bling and gaudy sideshows.

Walk Through the Midway
Here in Allentown, a town of 100,000 or so
lying between Philadelphia's heavy industry and
the bucolic Pennsylvania Dutch country, fair time
brings both the farmer and the pitchman.

The Greater Allentown Fair, to give it its
proper name, has square dancing contests, potato
picking competitions, pastry displays overhanging
with the sweet, heavy odor of apples, harness racing
and livestock exhibits—with at least one young 4-H
boy sleeping in a stall beside his cow.

But to get to all this, you must walk through
the loud, flashy midway, where sideshow Barker
extols Eeka the jungle girl, Ko-mo-mo the mule-
faced boy, and the Atomic Girl (she lights
torches with the tip of her tongue), and pitch-
men urge visitors to try their luck—and skill—at
bingo, skilno and all sorts of games in-
volving rolling marbles into numbered holes
with, of course, a little odds-wagering to
heighten interest.

"Not on the Way Out"

Strolling along one of the trio of quarter-
mile lanes that make up the Allentown fair's
midway one might wonder if the carnival isn't
replacing the county fair and the latter's stress
on country-style competition and exhibits of rural
skill. Whatever the lure, carnies or country, fairs
now draw an annual attendance of nearly 85 million.
There are about 2,100 county and state fairs in the
nation, according to Frank H. Kingman, secretary of
the International Association of Fairs and Expositions
and widely adjudged one of the country's most
knowledgeable authorities on county fairs.

At Allentown, Mr. Kingman was quick to
challenge any contention that the county fair is
dying or being replaced by the traveling carnival.
"It's just not true that fairs are on the way out,"
he insists. "Attendance is getting larger each year.
Fair promoters are sinking more money into new
buildings each year." By way of proof he points to
Allentown's new \$250,000 agricultural building and
tells of the \$800,000 air conditioned exhibition
hall recently put up for the Texas State Fair in
Dallas.

Mr. Kingman's confidence notwithstanding, it
is clear that the carnival is at least settling
down alongside the county fair. The combination
produces some fascinating contrasts at Allentown,
which is more or less representative of county
fairs in many parts of the country.

Scooping the Spuds

There is, for example, Mrs. Ruth Koenig,
a tall, slim school teacher who's just about the
fastest potato picker in all Pennsylvania, and has
an armful of county fair trophies to prove it.
One morning last week—the Allentown fair
closed Saturday night—Mrs. Koenig, as ex-
pected, bested five potato picking challengers to
add another trophy to her collection.

In the contests, potato picking actually is
potato picking up. For competition, about 10
bushels of spuds are spread out in a 50-foot-long
row; pickers move down the row, stooping close
to the ground and using both hands to shovel
potatoes into hampers lined up alongside the row.
Mrs. Koenig had some real competition for a
while, from one Herbert Geiger, but Herb booted
it in the stretch by tipping over a hamper of
tubers and Ruth scooted in to win by two feet or
roughly, three dozen potatoes.

Not the world's most exciting contest, per-
haps, but part of the Allentown fair tradition
and much enjoyed by traditionalists, 200 of
whom cheered on the potato pickers.
Even more enjoyed, if one is to judge by
numbers of spectators, was something few old
time fairs ever witnessed—"direct from New
York"—Lou Walters' Latin Quarter Revue,
"nowhere in America such lovely girls." It
attracted throngs of as many as 3,000 fair
goers. What is the skill of even a champion
potato picker compared with the first scene of
the revue, Paris in the Spring, with
mannequins free jolies les Parisiennes?

Not Like Old Days
Les Parisiennes or no Parisiennes, old-
timers around Allentown say the fair just
isn't what it used to be when it was "really
something." In the old days, it seems, every-
thing else stopped when the fair opened in the
third week in September. Factories, such as
they were, shut down; schools declared a hol-
iday and downtown stores closed their doors.
Today, rural schools let out for at least half
a day but it is rare for a plant or store to
close.

"My men don't want me to close," explains
an Allentown contractor, and a man who once
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What's News—

Business and Finance

BUICK DIVISION of General Motors is
laying off 6,100 workers at Flint, Mich.,
today because of body shortages created by
the current strike at two Fisher Body divi-
sion stamping plants. Buick said the shortages
would delay indefinitely the start of production
on its 1958 models, which had been scheduled
for October 1. A similar threat at Chrysler
Corp. was removed over the weekend with set-
tlement of the four-night-long strike at its
Indianapolis power steering and transmission plant.

Agriculture Secretary Benson an-
nounced the Government again will pay
farmers \$1.10 a bushel for corn grown in
defiance of Federal acreage curbs. He said the
so-called non-compliance support, which was
also granted last year, is necessary to help
prevent the collapse of grain markets now and
hog markets later. When corn prices are low,
farmers can get more out of it by feeding it to
pigs than by selling it outright. Hence, they
tend to grow more pigs.

Steel operations, hovering around 82%
nationally for the past month, are slated to
pursue diverse trends this week. In Chicago,
where labor strife has held down production
recently, the operating rate is scheduled to
climb ten points above last week's level of
74.9% of capacity. Pittsburgh district
activities are expected to rise to 84.9%,
from 84.4% last week. In Youngstown, a
drop of two or three points is forecast
from last week's 79%.

Bankers' acceptance dealers re-
duced their rates one-eighth point—the
second such cut in a month. It was ef-
fected to attract more of the short-term
bills to the market to meet brisk investment
demand. Dealers said the move related only
to the acceptance market, with little bearing
on other short-term rates which have gener-
ally been rising.

The Justice Department is relying
heavily on its trustbusting power under
the Supreme Court decision in the Du Pont-
General Motors case to back up its suit to
block the proposed merger of Bethlehem Steel
and Youngstown Sheet & Tube. This was in-
dicated in a new brief filed in Federal District
Court at New York where a ruling is expected
by November. The department pointed to the
Du Pont decision to contend the Bethlehem-
Youngstown merger would be illegal if it threat-
ened to lessen competition in "any economi-
cally significant line," no matter how small
a part of each company's business.

Kennecott Copper Corp., the world's
largest producer of the metal, will suspend
operations for 12 days at its Chino Mine,
Husley, N. M., to make repairs. The shutdown will mean a
2,200-ton reduction in copper output.
Phelps Dodge Corp., the industry's
second largest company, last week brought
cutbacks in its production to 3,500 tons
monthly, or 15%. But demand for copper has
turned quiet again in the wake of recent price
rebounds. Trade sources say mining
curtailments will have to be broadened if
supply-demand balance is to be achieved.

Caterpillar Tractor Co. will lay off
3,000 of its 27,000 workers at Peoria, Ill.,
October 11, because of excess inven-
tories. No layoffs are planned at Caterpillar's
six other U.S. plants.

U.S. Steel Corp. said it plans to fur-
lough about 160 employees and curtail
operations within the next three weeks at
its Columbia-Geneva Steel division, Torrance,
Calif. It ascribed the cutback to reduced
demand for structural steels and reinforcing
bars.

General Motors' Frigidaire division is
recalling 500 workers, which will increase
its employment at Dayton, Ohio, to 14,500.
Frigidaire credited the move to "enthusiastic
reception given to the 1958 laundry equipment line."

Markets—
Industrial broke to new lows on the current
decline in Friday's dealings on the New York
Stock Exchange. The Dow-Jones index tumbled
7.70 points, or 1.62%, to 468.42. Rails
dropped to new low ground for the year,
receding 2.34 points, or 1.79%, to 128.48. Utilities
closed at 87.64, off 0.75%. Transactions
amounted to 2,340,000 shares. London-British
stocks also suffered a further bad break,
continuing to reflect the week's sharp drop in
the Bank of England's discount rate. The Finan-
cial Times common share index dropped 6.3
points to 177.2.

Bonds—
Volume \$4,280,000. Dow-Jones 40
bonds 84.95, off 0.08; high grade rails 84.69,
off 0.02; speculative rails 82.49, off 0.14; utilities
84.23, up 0.07; industrials 88.39, off 0.26.

Commodities—
Dow-Jones futures index
156.02, off 0.68; spot index 161.62, off 0.23.

Earnings—
Year July 31: Net Income—Per Com. Shr.
1957 1956 1955 1954 1953 1952

World-Wide

STATE POLICEMEN and armed city offi-
cers will guard a Little Rock high school today.
Arkansas Gov. Faubus said in Sea Island, Ga.,
that he approved the assignment of 80
state troopers to Central High School at the
request of Mayor Woodrow Wilson Mann, the
Board of Education chairman and the city
police chief. They will provide a special guard
if Negro students attempt to enter the school.

The way for Negro students to attend
classes was paved last Friday when a
Federal court injunction was issued directing
Arkansas Gov. Faubus to call off the
National Guard. The troops had barred
Negroes from the school since it opened
September 3.

Mayor Mann said earlier he would crack
down on all troublemakers by assigning about
35 city police to the school this morning. They
will be armed with riot guns and tear gas.

Three of the nine Negro students originally
barred by the National Guard said Saturday
they planned to enter the school today, but
last night two of them said they had not made
up their minds and the third had no comment.
A Negro newspaper publisher in Little Rock
said none of the Negroes will attempt to attend
classes.

WILLIAM LEE of Chicago is reported ready
to seek the presidency of the Teamsters.
The union vice president, supported by offi-
cials who hope to keep the union in the A.F.L.-
C.I.O., is believed all but officially in the race.
Said one backer: "He's out there." Lee re-
portedly will make the bid at the Teamsters
convention which will get under way in Miami
Beach on September 30.

The A.F.L.-C.I.O. Executive Council will
meet tomorrow and Wednesday in New York
to consider possible ouster of the Teamsters.
Its Ethical Practices Committee has accused
the big union of misconduct. Retiring Presi-
dent Beck rejected an invitation to attend the
New York meeting.

Ouster of the Teamsters' 1.5 million
members would be the greatest split in
U. S. labor since the C.I.O. formed in
1938 in the wake of A.F.L. expulsion of
11 industrial-type unions.

Vice President Hoffa, who is seeking Beck's
post, faces new trouble today. He goes into
a Federal court in New York for arraignment
on charges of conspiracy to tap wires in his
Detroit headquarters to check up on associates.
He already is under fire from the A.F.L.-
C.I.O., the McClellan Committee and union
members seeking to bar his election.

ADENAUER SAID "there is some unres-

some fermentation in the Soviet Union."
These internal difficulties, the West German
chancellor added, have been heightened by two
severe blows in recent weeks: His own re-
election and the U. N. condemnation of Russia
for suppressing the Hungarian revolt. Ade-
nauer was interviewed by C.B.S. in Bonn for
a telecast released in this nation yesterday.

Because of these setbacks, Adenauer said,
this is no time for a four-power conference on
East-West problems. "I think we should give
them (the Russians) some time to recover,"
he commented.

In London, British Laborite leader
Aneurin Bevan said he found Khrushchev
in a relaxed mood when he talked with
the Soviet Communist boss in the Crimea
five days ago. Western reports have said
Khrushchev's position is far from secure
due to internal Russian troubles.

U. S. search planes spotted two lifeboats
and one raft in the Atlantic Ocean but no
survivors from the German training ship
Pamir. The four-masted vessel last radioed
Saturday night she had lost her sails and was
sinking in a storm whipped up by hurricane
Carrie 600 miles west of the Azores. The
Pamir, en route from Buenos Aires to Ham-
burg with a cargo of barley, carried about 90
crewmen, including 54 merchant ship cadets.

Eisenhower will interrupt his Rhode Island
vacation today to make two addresses in
Washington and to confer with Crown Prince
Faisal of Saudi Arabia. He also will meet
with Attorney General Brownell briefly. The
President will speak informally at a small
business conference and will address the an-
nual meeting of the World Bank, International
Monetary Fund and the International Finance
Corp.

National Airlines planned to suspend its
flights at midnight last night because of ticket
agents' refusal to comply with court injunc-
tions against strike activity at Miami, Tampa
and New Orleans. The Airline Agents Asso-
ciation had asked the strikers not to carry out
the walkout which followed lengthy talks on
a new contract.

Haitians turned out in droves to vote for
a president and a new congress. Women balloted
for the first time in the 153-year history of the
republic. The ruling military junta deployed
2,500 troops and police to guard the polls, and
there were few reports of violence.

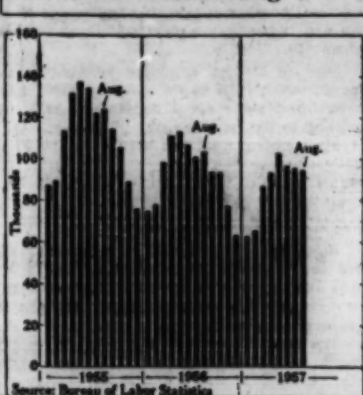
Political fighting broke out in an isolated
village as Hondurans voted in an election which
is expected to restore constitutional govern-
ment. The nation has been ruled by a military
junta since last year.

Pote Sarasin, Thailand's temporary
premier, turned in his resignation as secretary-
general of the Southeast Asia Treaty Organi-
zation. William Worth of Australia, deputy
secretary-general, will assume Pote's duties
until a successor is named.

Cloudbursts dumped up to 8 1/2 inches of rain
in south Texas, sending streams on the rise
and causing flood warnings in the San Antonio
area. Heavy rains then swept across the
eastern part of the state.

The U. S. Air Force said it has installed
the first air defense radar system in Spain and
that six other units will be in operation there
within a year. It is the first radar system for
Spain, which soon will house four major U. S.
jet bomber bases.

Home Building



BUILDERS started work on 95,000 new
non-farm dwelling units during August as
compared with 96,000 in July. But of the
August total 92,600 were private housing,
up from 90,200 in July. In July, 1956, 103,900
housing units were started of which 103,200
were private housing units. The Labor De-
partment remarked that the increase from
July in private housing activity took place in
metropolitan areas where new apartment
projects are bolstering starts.

Wanted: A Golf Ball To Cut Stars' Drives But Not Hurt Duffers'

Scientists Seek Better Way
To Curb Distance as Long
Hitters Outdate Courses

By DAVID O. IVES
Staff Reporter of THE WALL STREET JOURNAL
BOSTON—One of the nation's major busi-
ness research and consulting firms is presently
seeking an answer to this portentous socioeco-
nomic question: Can a golf ball be designed
that will cut down the distance a long hitter
can drive without shortening the shot of an
average player?

The research outfit is Arthur D. Little, Inc.,
of Cambridge, Mass., and the client that wants
the answer is none other than the United
States Golf Association, under whose auspices
the national open and national amateur tourna-
ments are played. The subject is of no little
importance to the country's 5,000 golf clubs,
to the manufacturers of golf balls and, of course,
to the swarms of experts and duffers who
whack the pill around the links of a Saturday
afternoon.

Behind the search is the fact that, despite
present limits on liveliness of the ball, good
players are managing to knock it farther and
farther off the tee. Says Charles L. Peirson,
chairman of the implements and ball commit-
tee of the association, "The history of the ball
shows a long-term upward trend." There
hasn't been any startling increase in the last
few years, Mr. Peirson notes, but he adds that
as manufacturing methods improve and new
materials are introduced, "increasing distance
would appear eventually inevitable unless the
control is adequate."

What's wrong with long shots? Why penal-
ize the long-ball man? Mr. Peirson, speaking
for the association, replies that over-long shots
"will injure the game by minimizing the con-
trol on shot-making." There's also a dollars
and cents reason. Longer hitters require
longer courses, but most clubs now have nei-
ther the acreage nor the money to stretch out
their holes. Much more lengthening of shots
will have the effect of "nullifying the archi-
tectural value in courses," Mr. Peirson states.

As a case in point, take the 18th hole at
Oakmont Country Club of Oakmont, Pa., where
the open championship was played in 1953. As
he does every year, noted golf course archi-
tect Robert Trent Jones spent some time at
that tournament measuring drives of the best
players. On this 462-yard, par four hole, 59
players in one round averaged 261 yards,
including roll, from the tee. One siege-gun
drove over 300 yards, and only ten of the field
fell short of 230 on their drives.

Mr. Jones concludes that the 18th, "which
was once a fearful hole and required a wood
shot into its green, is no longer a hole of
horror for the modern expert." One bunker,
placed 300 to 235 yards from the tee and de-
signed to catch inaccurate shots of average to
good players, was "completely out of play" as
far as these very long hitters were concerned,
Mr. Jones declared.

The golf association already limits the ball
by requiring that none fly faster than 250 feet
per second as measured on a machine built in
1942. Why not just lower this velocity re-
quirement? This would just make things
rougher for the duffer and the average player,
says Joseph C. Dey, Jr., executive secretary
of the U.S.G.A., "and we certainly don't want
to do that."

Needed: Better Standard

Stymied by its problem, the association
turned to Arthur D. Little and asked for de-
velopment of a better standard for controlling
distance of the ball and of a simpler way to
test its flight. The only testing machine in
existence now is a cumbersome device located
at U.S.G.A. headquarters in New York.

In charge of the research is a young
physicist, Dr. Henry H. Blau, Jr., whose pre-
vious work has been on such abstruse sci-
entific problems as "optical scattering and
measurement of the spectral emissivity of ma-
terials at very high temperatures." Dr. Blau
has been studying golf balls, with the aid of a
stroboscopic camera, for several months, and
believes it's a bit early to say whether the
U.S.G.A.'s requests will be met. "But we feel
a fair amount of confidence that we can," he
reports, adding that the most promising area of
research is the moment when the clubhead con-
tacts the ball.

For duffers who are still trying to break
100, Dr. Blau reports that his studies have al-
ready "taken a lot of the mysticism" out of
what makes a long shot. "It's not so much a
question of how hard the club hits the ball,
but how squarely," he states. "When the club-
head is turned or cocked over so slightly, the
transfer of energy to the ball goes way down."

The Outlook

Appraisal of Current Trends In Business and Finance

Two new pamphlets on entirely sepa-
rate topics occupy our attention in this
space today. One is a study of corporate
profits in the ten years 1947-56 by
George Terborgh, research director of
the Machinery and Allied Products
Institute.

This study is a continuation of others issued
previously, on the extent to which profits have
been and are being over-stated as a result
of inflation. It also adds some new compari-
sons on this subject.

One cause of over-statement of profits is
that depreciation is insufficient to replace
physical assets at today's costs which are so
much higher than the costs at which the fac-
ilities were first built. For instance, assume
a plant was built for \$20 million and is being
depreciated—because it will last 20 years—at
the rate of \$1 million a year. The money so
accumulated will not be sufficient to build a
new plant when the old one needs to be re-
placed. If in the meantime the cost of build-
ing such a plant has risen to \$40 million.

The other cause of over-statement is a simi-
lar problem for inventories. As prices rise,
more and more money is needed to keep the
same quantity of inventories on hand. This
extra money must come out of profits. There
is no other way to get it in the long run, for
if the money is borrowed, for instance, profits
have to be used to pay off the borrowing.
Thus, such part of profits is not really profit
at all.

Correcting for these factors, the Insti-
tute figures that profits after taxes, which
have averaged close to \$19 billion a year,
have been over-stated by an annual aver-
age of somewhat more than \$4 billion.
That is, the total over-statement exceeds
\$40 billion. Furthermore, there is no sign
that the annual over-statement is declining,
because the over-statement for 1956, the
latest year, is almost identical with the
ten-year average.

One result of this situation has been that
income taxes have been paid in part on purely
fictitious profits. The nation, tax-wise, has
been living in part by using up its capital.

Again, while profits have been at record
levels in dollars, they have been much smaller
than they seemed in relation to the needs of
the economic system, if it is to continue grow-
ing. One way the study makes this clear is
by correcting apparent net corporate savings
in the same manner as it corrects profits.
It concludes that "taking the period as a
whole, saving reported as \$96 billion shrinks
down to \$33 billion. Thus," it continues,
"about 45% of the so-called 'saving' has been
absorbed simply in maintaining each year the
real capital with which corporations began it."

The study also makes comparisons of the
ten-year period with 1923-29, the most recent
comparable period of sustained prosperity.
Some of these comparisons are made in terms
of "income produced," which in effect is the
income contributed to the whole of society by
corporate activities. The figure is arrived at
by totaling pay of employees, profits, net in-
terest payments and taxes paid on income.

The profits themselves in the latest period
were only 10% of the corporations' overall con-
tribution to society, against over 18% in 1923-29.
Net corporate saving was only 3.7% of income
produced, against 5.1% in the earlier period;
and in the most recent five years fell to 2.8%.
And dividends were down to 6.3% of income
produced from 11.1%. By no measure of com-
parison can the corporations' and their stock-
holders' share of what these businesses con-
tribute to the nation be regarded as large.

Another aspect of these figures is the light
they throw on rising money rates. These in-
creases in rates, most students agree, result
from a shortage of savings in relation to the
demand for capital. Obviously, the need of
corporations to report and pay taxes on
profits—a part of which are not really profits
at all—has contributed and will continue to
contribute to this shortage.

The other pamphlet attempts the diffi-
cult task of comparing Soviet with United
States industrial growth. By G. Warren
Nutter of the University of Virginia, and
produced under the auspices of the Na-
tional Bureau of Economic Research, it
approaches the problem in a highly original
fashion.

Most comparisons show Soviet growth as
more rapid than ours by citing, let us say,
output of steel ingots in both for the same
years. For instance, as Professor Nutter's
figures show, for the period 1913-55, Soviet
steel ingot production rose at an annual rate
of 5.8% while here the gain was 2.7% a year.

However, as the professor says, this kind
of comparison gives an incomplete picture be-
cause it does not measure "general" industrial
development. Such development includes, for
instance, declines in some United States in-
dustries such as coal, soap and railway equip-
ment, and these declines themselves in part
reflected real progress through the growth of
substitute industries.

Mr. Nutter's solution is to compute the ex-
tent to which Soviet industries lag behind ours.
For instance, in 1913 Russian production of
steel was roughly equal to production achieved
in the United States around 1902, or 21 years
earlier—a lag in 1913 of 21 years. The lag had
risen to 32 years in 1937, but from there fell to
29 years in 1955—still eight years further be-
hind than in 1913. On a per capita basis, the
lag increased from 30 years in 1913, to 40 in
1937, and to 49 in 1955.

The professor has done this huge statistical
task for 37 industries in all, and for 21 of them
on a per capita basis. He finds that the me-
dian of these 21—the lag which exceeds those
of half of them and is exceeded by those of the
other half—fell 13 years further behind in 1955
than in 1913.

One can conclude that when it comes to
comparing the strength of private enterprise
with that of totalitarian effort, private enter-
prise so far has won hands down. But of
course that does not mean we must overlook
the warlike effectiveness of a steel industry,
and of other heavy industries, which have
grown to be perhaps half as big as ours, and
are in much greater proportion than ours de-
voted to building strength for war.

Aid From Germany?

U. S. Officials Press West Germany to Invest More Wealth Overseas

Aim Is to Cut U. S. Foreign
Aid Burden, Ease Europe's
Present Monetary Crisis

India May Get Early Loan

By JOHN R. GIBSON
Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON—The U. S. Government is
quietly pressing West Germany to take part
of the foreign aid burden off Uncle Sam's
shoulders by investing more of her post-war
wealth in foreign countries.

If West Germany agrees, as officials here
expect, the action could also help ease Europe's
monetary crisis by putting more of its highly-
valued marks into international circulation.

U. S. officials expect to take advantage of
this week's annual meeting of the International
Monetary Fund and World Bank to give West
Germany more suggestions. The investments
that nation is being asked to make would
parallel the kind of aid Uncle Sam and the
World Bank carry out in lending money for
projects such as dams, ports and steel mills
that would improve a country's economy.

Results Predicted "Before Too Long"
"I think you'll see some results before too
long," a high ranking U. S. diplomat predicts
guardedly.

One of the first big results of the diplomatic
push may be a West German loan or other
large-scale investment in India. American offi-
cials will encourage India's finance minister,
T. T. Krishnamachari, to talk to West Germany.
For part of the \$500 million in U. S. aid he
is expected to ask from the State Department
for his country's current five-year develop-
ment plan.

American officials report they are quietly
prodding West Germany "every chance we
get." One official describes the urgings as "in-
formal" because no notes have been exchanged
or formal conferences held. Insiders also re-
fuse to dramatize their efforts with the words
"campaign" or "program." But they explain
that whatever they call it, their effort is a con-
scious one.

A German embassy spokesman confirmed
that investment talks have been going on be-
tween U. S. and West German diplomats. He
stressed that Germany is as "concerned" over
the economic situation in Western Europe as
are countries on this side of the Atlantic. "In
view of the economic and financial situation
of West Germany, it is understood that the
tendency should be for us to invest more
abroad," the Embassy spokesman added.

Germany in the past has done no over-
seas lending of any consequence. Some private
firms, such as Krupp, have invested money
abroad, but this also has been on a relatively
small scale.

Supplement to Aid

U. S. diplomats contend their attempts to
enlist West German capital as a supplement to
American economic aid are needed partly be-
cause Congress failed to provide enough money
for the U. S. to do the job alone. Policymakers
also fear the monetary problems now upsetting
Western Europe will weaken world de-
fenses against Communism.

West Germany can well afford to enter the
foreign aid field, according to American offi-
cials. That nation, they note, is consistently
outselling her competitors in Europe. The re-
sult of this could be a great shortage of marks
outside West Germany to go with the already-
existing danger of a world-wide shortage of
dollars outside the U

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Caterpillar Tractor to Lay Off 3,000
Of 27,000 Employees at Peoria Plant

U. S. Steel Plans Cutback at
Its Torrance, Calif., Unit;
Frigidaire Recalling 500

A WALL STREET JOURNAL News Roundup
Caterpillar Tractor Co. will lay off 3,000 of its 27,000 workers at its Peoria, Ill., plant October 11, Harmon S. Eberhard, president, said.

In other weekend developments, U. S. Steel Corp. said it plans to lay off about 180 employees and curtail operations within the next three weeks at its Columbia-Geneva Steel division, Torrance, Calif., and Frigidaire division of General Motors Corp. announced it is recalling about 500 workers.

Mr. Eberhard said that inventories "have reached a level higher than the company should carry at this time of year." The plant manufactures crawler tractors and diesel engines.

No layoffs are scheduled at Caterpillar's six other U. S. plants or at overseas subsidiaries, where an additional 14,000 are employed.

No further layoffs are expected at the Peoria plant, but "the reduced level of employment will continue well into 1958," the company said.

Adverse Sales Factors Cited

"We have not yet felt the full impact of the new Federal road construction program," Mr. Eberhard said. "New housing construction is down for 1957, adversely affecting some of our markets, particularly the logging industry."

"We feel confident that after this period of adjustment to a level of sales lower than we had anticipated, the uptrend will be resumed. Our plans are being laid accordingly," he stated. Construction of new plant facilities will proceed and research and engineering activities aimed at development of new products will "continue to be strengthened," he said.

Despite the production cutback, Mr. Eberhard predicted total 1957 sales will be "moderately above" the record level of last year. For the first eight months of 1957, sales advanced 6.7% over the like period last year to \$483,783,302. He said the company was enjoying a "somewhat larger share" of the volume in the industry which is, however, experiencing "a rather slow year."

U. S. Steel Corp. said reduced demand for structural steel, reinforcing bars and other bar shapes is responsible for its plans to reduce operations at Torrance.

Furnace Closed Down

One of the steel mill's four open hearth furnaces was closed down yesterday, Don

Lasell, general superintendent at the Torrance works, said, and the 12-inch rolling mill will be out from 14 to 16 turns a week on September 30. This will put 120 employees out of work.

Unless there is an upswing in business, Mr. Lasell said, another open hearth furnace will be taken out of operation October 12, bringing the total number of laid-off employees to about 180 and reducing the plant's working force to about 780.

Most of the 180 employees involved in the layoff, which is to be on seniority basis, have been hired since about September, 1955, according to the company.

Steel employment has been declining gradually since early in the year. Aside from the employment cutbacks, some mills have been operating on short work weeks.

Frigidaire Explains Recall

Frigidaire attributed its recall of 500 workers to "enthusiastic reception given to the 1958 laundry equipment line." The division's new automatic washer and dryer line was introduced in July.

The recall of workers will increase employment at Frigidaire to 14,500. The division started the year with about 19,000 employees.

Some appliance manufacturers have indicated that refrigerator business has failed to show an expected fall upturn but that home laundry equipment sales have been picking up.

A survey of Connecticut machine tool manufacturers by the Associated Press showed some layoffs, and several companies considering curtailed work weeks.

Bullard Co., Bridgeport, has cut its total work force of 2,800 by 10% to 2,500 since June and has been working a curtailed schedule since that time. The company's foundry was closed one week to permit other departments to catch up with the curtailed schedule.

New Britain Machine Cuts

New Britain Machine Co., New Britain, has laid off between 30 and 50 employees in its precision products department. A company spokesman said whether there are more people laid off depends upon 1958 orders.

Pratt & Whitney Co., Inc., West Hartford, machine-tool making division of Penn-Texas Corp., starts a curtailed work schedule today in its machine and small tool divisions. The machine division will work alternate weeks. The small tool division will go on a schedule of one week off, four or five weeks of work, then another week's layoff. Between 2,000 and 2,500 employees work in the two divisions.

The Associated Press survey also reports that General Electric Co.'s Bridgeport plant has been laying off workers all summer. A spokesman said it expects to lay off about 400 more between now and the end of the year. General Electric's Plainville plant started a 35-hour week last week.

Strikes at Fisher Body Plants
To Delay Start of '58 Buick Output

A WALL STREET JOURNAL News Roundup
General Motors Corp. felt initial effects of strikes at two Fisher Body division stamping plants: Buick division announced the start of 1958 model production would be delayed indefinitely beyond October 1 by the shortage of parts.

A similar threat at Chrysler Corp., however, was removed over the weekend with the settlement of a two-week-old strike at its Indianapolis power steering and transmission plant. Members of Local 1228, A.F.L.-C.I.O. United Auto Workers Union, yesterday ratified an agreement adjusting work standards and settling other strike issues. The plant was scheduled to resume production today.

Chrysler's Indianapolis plant was producing two-speed automatic transmissions for 1958

models. The two-speed unit is available in all Plymouth models and in the lowest priced Dodge and DeSoto models. A three-speed unit, used in higher priced cars, is produced at a plant at Kokomo, Ind. All Chrysler divisions already have turned out pilot models of their new lines.

Buick Start-Up Postponed

Buick, which is changing over for new model production, was to have started building 1958 cars at its Flint, Mich., plant on Tuesday, October 1, but Edward T. Ragdale, a G.M. vice president and general manager of the division, said that a shutdown of the Fisher plant at Mansfield, Ohio, had disrupted the supply of auto bodies and forced postponement of the start-up.

Other G.M. auto divisions, also down for model changes, had no immediate report on whether they might be affected also.

Employees at the Fisher plant at Marion, Ind., struck 24 hours after the shutdown at Mansfield. Both are new plants, and the strikes result from breakdowns in negotiating local provisions of initial labor contracts with two U.A.W. locals.

Mr. Ragdale said \$100 hourly employees at Buick who had been working during the changeover period will be laid off today as a result of the body shortage. He added that a further 2,400 will be furloughed this week if the Fisher strike continues and that the recall of another 3,000 workers who had been laid off earlier will be delayed along with the October 1 start-up.

Oldsmobile Supplied Also

The Mansfield plant, which was closed last Wednesday night, is also an important supplier to the Oldsmobile division. Oldsmobile, however, was not scheduled to begin 1958 production until October 7. The Marion unit, closed Thursday night, is an important supplier to the Chevrolet and Pontiac divisions, which also will not begin 1958 output until about October 7.

There are seven other Fisher Body stamping plants around the country which remain unaffected, and G.M. officials said they couldn't yet estimate how drastic the over-all effect might be if the strikes at the two plants continue.

Negotiations were held at both plants on Saturday for the first time since the strike began, but company officials did not appear optimistic about chances for an early settlement.

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Bell Walkout Continues

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A WALL STREET JOURNAL News Roundup
A nationwide strike of telephone installers was settled but a strike of operators in Ohio continues.

Western Electric Co. installers, members of the A.F.L.-C.I.O. Communications Workers of America, returned to work Friday after an early-morning settlement. Western Electric is the manufacturing division of American Telephone & Telegraph Co.

The strike was called last Monday morning when bargaining sessions between the C.W.A., which represents 23,800 installers in 44 states and the District of Columbia, and Western Electric broke down. Picket lines kept an estimated 200,000 to 300,000 other Bell system employees off their jobs, although the company said it was able to maintain "virtually normal" service.

The new two-year contract provides for pay increases ranging from six to 12 cents an hour. Installers who have never received a merit increase will get an additional two cents an hour January 13.

The contract provides for a re-opening on wages, travel allowances and vacations at the end of one year. Overnight travel for installers was eliminated and the per diem travel allowance was boosted by 23 cents to \$6.75.

A union spokesman estimated the total package, including the January 13 increase, at 13½ cents an hour. Wages for installers before the strike ranged from \$1.39 to \$2.80 an hour.

Asked about reports that there was some dissatisfaction among members with the settlement, Joseph Dunne, chief negotiator of the C.W.A., said "it's too early to tell. Every member will vote on the new contract, and generally, in the past, members have always ratified contracts which were recommended to them by the executive committee."

The members have 30 days to ratify the contract. Mr. Dunne said it would be about October 18 before voting results are known.

In Cleveland, the strike of C.W.A. operators against the Ohio Bell Telephone Co. was in its seventh day. Union and company negotiators met with Federal Mediator Thomas W. Robertson Friday and again Sunday afternoon. But Ohio Bell Vice President Carlisle K. Milner said he saw little hope the strike would end soon.

Basic dispute in the Ohio strike is over con-

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tract length. The company has asked for a 15-month contract; the union is asking for 13 months.

The company said it offered the union wage increases ranging from \$2.50 to \$3.00 a week on a 15-month contract, or \$2 to \$4.80 on a 12-month contract.

The C.W.A. claims 18,500 members in Ohio.

Paper Output Rises in Week

NEW YORK — The American Paper and Pulp Association reported the ratio of U. S. paper production to rated mill capacity was 90% during the week ended September 14, up sharply from the revised rate of 71.1% for the preceding period, but below the 95.8% reported newspaper exclusively were not included.



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Lee, Chicago Teamster Vice President, Reportedly Will Enter Race Against Hoffa for Union Presidency

He Would Be Strong Rival to Hoffa, Who Faces 4 Other Hurdles This Week

A WALL STREET JOURNAL NEWS ROUNDUP

William Lee, Chicago Teamster Union vice president who has been urged by A.F.L.-C.I.O. officials and Teamster aides to run as a "clean-up" candidate for the presidency of the Teamsters, has all but officially entered the race.

His proposed candidacy presents a strong threat to James R. Hoffa's bid for the union's top job.

Mr. Lee is president of the Chicago Federation of Labor and head of a bakery wagon drivers local in Chicago.

Mr. Lee's backers already are passing the word he will be a candidate. As yet, one: "He's out there." It was learned that money-raising efforts are being undertaken to support Mr. Lee's bid for the union presidency at the Teamsters convention which starts September 30 in Miami.

His supporters have been pressing Mr. Lee to take the step for some time. Last week, his backers claimed Mr. Lee was closer to declaring himself a candidate than at any time since president Dave Beck withdrew from the race. At first, the Chicago Teamster official was regarded as the hottest possibility to succeed Mr. Beck but he then convinced everyone he did not want the job. As the convention approached with no strong candidate to oppose Mr. Hoffa, however, Mr. Lee has increasingly believed he should make some move to rally forces within the union which want to stay in the A.F.L.-C.I.O. The A.F.L.-C.I.O. Ethical Practices Committee has accused the Teamsters and Mr. Hoffa of misconduct in union affairs. It has indicated the Teamsters face ouster if Mr. Hoffa is elected president.

In Miami Beach, Mr. Lee said he had "nothing to say at this time." But his aides in Chicago insist Mr. Lee has all but declared himself a candidate as the result of a sharp split with Mr. Hoffa.

Mr. Lee's split with Mr. Hoffa came at a Miami Beach meeting yesterday of the union's constitutional committee. The committee was taking up the question of whether Mr. Beck should be given the title of president emeritus—a move the A.F.L.-C.I.O. has said it will not tolerate.

Source of Split

Mr. Lee demanded the committee decide right now not to give Mr. Beck this title. Other members, including Mr. Hoffa, wanted to delay the decision. Finally, the Chicago Teamster told Mr. Hoffa he wanted to be released from any commitment he had to him as a result of a majority of the Chicago Teamsters backing of Mr. Hoffa. Mr. Lee then walked out of the meeting and vice president Frank Brewster, head of the 11-state Western Conference of Teamsters, left with him.

As well as being boss of the powerful Western Conference of Teamsters, Mr. Brewster is a close personal friend of Mr. Lee. The West Coast Teamster chief said last week he thought he could get Mr. Lee at least 400 votes from his area if the Chicago Teamster would run. Mr. Brewster is one of the Teamster officials whom the A.F.L.-C.I.O. Ethical Practices Committee has branded as corrupt for his alleged misuse of union funds. Mr. Brewster insists he is taking steps to replace any money he owes the union.

The Lee candidacy was the newest of the hurdles Mr. Hoffa faces in his stretch drive for the presidency. This week, the A.F.L.-C.I.O. Executive Council meets to call on the Teamsters to reject Mr. Hoffa. The Special Senate Investigating Committee is slated to dig further into Mr. Hoffa's affairs starting

tomorrow. That same day, the Detroit Teamster faces arraignment in New York City on a Federal wiretap charge, and a Federal district judge could upset all his plans this Friday by delaying the Teamsters convention and his election.

The Teamsters Union was ordered by Judge Dickenson Letts to appear in Federal District Court in Washington this Friday and show cause why the convention should not be delayed. The union members filing the suit based their action on the claim that Mr. Hoffa and other Teamster leaders have rigged his election.

Meeting Delay Would Hurt Hoffa

The suit caused considerable stir among top Teamster officials who are in Miami Beach preparing for the convention. Mr. Hoffa, particularly, was urging union lawyers to "take care" of the matter. A delay in the convention, and a resurvey of all local unions to see if delegates were properly selected as the suit asks, would work against him.

Should an order be issued barring the Teamster convention, it would give the stumbling stop-Hoffa move a lift and would allow his foes more time to maneuver against him. Mr. Hoffa's opponents also could interpret a court victory as a mandate against his election.

The Detroit Teamster's opponents are obviously waiting for some such development as this. The stop-Hoffa move has not grown to any serious proportions in Miami Beach, where the Teamster Executive board has been meeting, and the union's convention starts next Monday. But any adverse development against him at this point could start it rolling.

Should the convention be delayed, Mr. Beck would probably remain president of the union until court-appointed masters could supervise the election of convention delegates by each local union. Federal district judges have wide discretion in such cases, and Judge Letts could shape whatever relief he thought necessary.

Cautious Over Judge's Order

Some labor lawyers were cautious about interpreting the show cause order as evidence that the judge saw any merit in the complaint. They considered it instead a move to hear the other side before taking any steps.

They noted the judge could have rejected the case without any hearing, but also said that since the convention is a week away, he did have time to consider both sides rather than taking action immediately.

While lawyers for the rebel Teamsters raised the possibility that the Hoffa forces might call the election for this week to beat any court order delaying the session, a high Teamster official in Miami Beach said he had heard of no talk of such a move.

"They couldn't do that," he declared. One of the main Teamster arguments against the suit will involve the bond that union lawyers think will be required from the rebels. As union lawyers interpret the law, the plaintiffs must put up a bond to cover damages which could result from any delay in the convention. The legal experts in Miami Beach are claiming this could amount to more than \$1 million. Mr. Beck said the cost of a delay in the convention would be \$250,000 to the international union alone—and this did not count the expenses of the 1,924 delegates, many of whom already are on their way to the resort city.

Not Guilty Plea Expected

Mr. Hoffa himself goes into Federal District Court in New York today for arraignment on charges of conspiracy to tap the wires in his Detroit Teamster headquarters to check up on his associates. The union leader doubtless will plead not guilty, necessitating a trial, which likely won't be until after the Teamsters convention.

Tomorrow the A.F.L.-C.I.O. Executive Council meets in New York City to consider

a report from its Ethical Practices Committee that labelled the truck drivers union, and Mr. Hoffa particularly, as too corrupt to stay in the federation. The Executive Council is expected to draft a clean-up ultimatum for the Teamsters to comply with at their convention.

The major warning from the council, even if it is not stated specifically, will be: Reject Mr. Hoffa or be ousted from the federation.

An apparent last-minute show of defiance from the Teamsters Union probably will only stiffen the determination of the 29-member federation council to lay the clean-up terms on the line to the truck union. The Teamsters' show of defiance, in a letter from the union's executive board to George Meany, A.F.L.-C.I.O. president, asserted the whole corruption issue would be handed to the Teamster convention for its action. The union rejected the federation's offer to let Teamster officials make one last plea to stay in the A.F.L.-C.I.O.

English to Attend Meeting

The only Teamster official at the Executive Council meeting will be Secretary-Treasurer John English. Teamsters officials in Miami Beach, where they are preparing for the union convention, made it clear that Mr. English will be attending only because he is a member of the council.

Also tomorrow, the Special Senate Committee reopens its digging into Mr. Hoffa's affairs in a last-ditch effort by the senators to block his election. The committee hasn't disclosed specifically what it will go into, but counsel Robert Kennedy has said he has some "worthwhile" information on the Detroit Teamster.

Although Mr. Hoffa is not expected to appear before the panel this time, the Senate committee has a string of witnesses to testify on Mr. Hoffa's activities. Chairman McClellan (D. Ark.) has said some of those appearing will be "cooperative." In earlier hearings, almost all witnesses giving testimony on Mr. Hoffa invoked the Fifth Amendment.

Hoffa Fully Confident

While privately expressing concern over the suit and anything else he felt might block his bid for the presidency, outwardly Mr. Hoffa was fully confident he would be the winner.

But the Detroit Teamster is feeling the pressure of Senate committee, A.F.L.-C.I.O. and public opposition to his candidacy. He knows his election means the Teamsters will be ousted from the A.F.L.-C.I.O. but at this point he's determined to go ahead.

The Federation Executive Council is sure to ignore the request that the whole matter be put off until the Teamsters convention can study it. It is almost certain the top A.F.L.-C.I.O. group will hand down a "clean-up or else" order after the two-day New York meeting. This will call for specific action by the Teamsters at their convention, with the threat of expulsion from the federation if the union doesn't comply.

Other candidates who have announced their opposition to Mr. Hoffa are Thomas Haggerty, secretary-treasurer of a Chicago Milk Wagon Teamsters Union, vice president Tom Hickey of New York and Rep. John Shelley (D. Calif.) Mr. Haggerty has been actively campaigning to line up votes for his candidacy and claims 800 convention delegates, nearly a majority, but has never given a breakdown of his support.

Housing Official Sees Number of FHA Title I Loans Up 20% in Year

He Predicts Total of Insured Home Improvement Loans May Rise To \$1 Billion in Fiscal '58

By a WALL STREET JOURNAL Staff Reporter

DALLAS — Federal Housing Administration-insured Title I home improvement loans may top the \$1 billion mark in the fiscal year ending June 30, 1958, up from about \$800 million in fiscal 1957, an F.H.A. official said here.

Roy F. Cooke, assistant commissioner of the F.H.A.'s property improvement program, told a meeting of bank and savings and loan officials the number of home improvement loans now being processed is averaging about 25,000 weekly, around 20% higher than a year ago. He added that the average loan now amounts to \$800, against \$600 in 1956 and \$400 two years ago.

"A recent survey," he reported, "of 12,000 Title I-insured banks indicated that the number of five-year loans was being increased and more banks were granting larger insured loans for the longer period." However, he noted in an interview, the average loan now runs for three years. Congress last year amended the Title I-section of the National Housing Act of 1934, lifting the loan ceiling to \$3,500 from \$2,500 and extending the maximum loan term to five years from three years.

He discounted a theory that the currently tight mortgage money market is mainly responsible for the higher number of owners improving their present homes, instead of buying new ones.

"I believe it's mostly due," he said, "to the fact that low and middle-income home owners are expanding their families and need more room, but can't afford new homes. And many new families prefer remodeled and modernized, older homes in well-established neighborhoods." He conceded, however, that the supply of new homes now is "limited."

He reported that 19% of all home improvement loans in fiscal 1957 were for additions and alterations, 18% for installation of insulation, 14.5% for improvement of heating systems and 10% for exterior finish. He added that 82% of total loans were made by commercial banks, 8.5% by savings and loan associations and over 9% by industrial banks and other institutional lenders.

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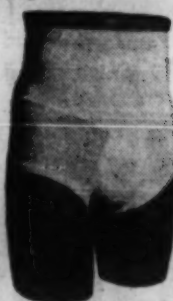
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National Airlines Sets Suspension of Flights Due to "Wildcat" Strike

Line Is Hit by New Walkouts of Agents at Tampa, New Orleans And Miami; Talks Are Stalled

By a WALL STREET JOURNAL Staff Reporter

MIAMI, Fla. — National Airlines, Inc., planned to suspend all operations just before midnight last night because of what it termed was a "wildcat strike" by members of the Airline Agents Association.

New walkouts by airport and reservation agents in Tampa, Fla., New Orleans and reservation agents in Miami yesterday, and earlier walkouts in New York, Miami and Jacksonville forced the suspension, said J. M. Rosenthal, National's senior vice president in charge of industrial relations.

National charged the walkout was in "defiance" of a court injunction it had obtained prohibiting the union from supporting the strike. The union said it has asked the strikers to return to work.

More than 500 members of the Agents Association were involved in the walkouts, following a breakdown of wage negotiations, according to a union tally. The association represents about 1,400 National employees. This number grows to about 1,700 during the peak winter travel season. National is expected to furlough all of its 3,500 employees pending settlement of the walkout.

The Airline Pilots Association, which represents National Airlines' 304 working pilots, says the pilots may take legal action protesting the furlough notice received from the airline.

"The manner in which the airline furloughed

its pilots is in violation of its agreement with us and we intend to hold the airline accountable," said Robert J. Rohan, regional vice president of the Pilots Association. "If necessary, we will take court action to enforce the agreement which specifies two weeks' notice or two weeks' pay if pilots are furloughed," he added.

An arbitration session scheduled this morning in Washington, D. C., apparently has stalled because of a disagreement between National Airlines and the union about transportation to Washington. A company spokesman said other matters also were involved.

Pat Caine, headquarters representative for the union in Miami, said the association asked National to give its negotiators airline passes to Washington, a procedure in previous negotiations. "National granted passes to all of our negotiators except one from New York," Mr. Caine said.

"The meeting with the National Mediation Board has been called off because we can't negotiate without our full board, including the representative from New York," Mr. Caine said.

Previously, the Agents Association had agreed to meet with the mediation board if National Airlines would re-hire about 110 employees at New York who walked off the job and were subsequently fired by the airline. National Airlines said it will re-hire most of the workers. The union said the company is excluding about 16 employees, including a council chairman who is one of the association's negotiators.

Mr. Rosenthal said the walkouts "are in flagrant defiance of the Federal Court, against the mandates of the National Mediation Board, the Railway Labor Act and a violation of the national contracts with the Airline Agents Association."

National Airlines, which flew nearly a billion revenue passenger miles in the last fiscal year, serves 36 cities along the Eastern Seaboard, from Boston to Miami and Havana, and on routes westward from Florida to New Orleans and Houston.

- ★ Architects
- ★ Builders
- ★ Clothing Designers
- ★ Decorators
- ★ Sound and Insulation Engineers
- ★ Industrial Designers
- ★ Product Development Engineers
- ★ Transportation Equipment Designers
- ★ Manufacturers in the automotive, marine, furniture, bedding, floor covering, transportation, textile and, clothing fields.
- ★ Distributors and dealers in floor coverings, draperies, upholstery, cushioning, building supplies, and interior decorating materials.

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For your convenience and comfort, this demonstration is not being opened to the general public. If you wish to see the exhibit, but have not received an invitation, please present your card, indicating your business affiliation and address, at the special reception desk at the entrance to the Sert Room.

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YES! In this freak political year, one million investors, acting in unison, and each armed with a five-cent pencil, can become the balance of power on legislation that will bring tax justice and tax reduction, and break the shackles under which the powerful labor czars are throttling business and industry. The conservatives have a tremendous political and economic potential if they will now only mobilize for effective action.

The first session of the 85th Congress witnessed two major phenomena that, if vigorously encouraged by the more thoughtful citizens of America, can cause a most welcome change in political thinking:—

1. The revolt of investors and all other taxpayers, characterized by millions of letters to Washington demanding that public spending be curbed and taxes reduced, had a restraining effect on many members of Congress in both parties who for too many years have committed themselves to the "spend and tax" theory of political survival. Could it be that votes now can best be gained by promises of thrift and sound methods of tax reduction?
2. Businessmen, investors and the rank-and-file, have hailed with joy the work of Senator McClellan's Select Committee to Investigate Improper Activities in Labor-Management Relations. Public exposure before this Committee of the questionable character, motives and methods of some of the powerful union leaders has laid the ground for remedial legislation. Must politicians still heed the socialist legislative demands of these discredited characters? Won't they **LOSE** votes rather than **GAIN** them by seeking their endorsement or support?

These developments were unexpected. They have put many members of Congress on the fence. They will cause much serious political soul-searching before the next session convenes in January.

With 30 Senators and the entire membership of the House up for re-election in 1958, and with no coat-tails to ride on, it will be each candidate for himself. And each candidate will give careful heed to the views his constituents may express and will govern his votes on vital issues in the next session of Congress accordingly.

It is obvious that now is the time for investors to organize a drive for mutual protection! Walter Reuther's power does not lie in him as an individual. It lies in the power of his organization.

DO YOU WANT GOOD LAWS OR BAD LAWS?

HIGH TAXES Should our methods of Federal taxation be changed?—Or do you still want high progressive income taxes? Do you want individual and corporate income taxes reduced each year?—Or do you want high progressive income taxes on corporations as well?

Do you want the capital gains tax cut in half?—Or do you want it increased? Do you want double-taxation of dividends removed?—Or do you want the meager relief already granted taken away?

Hearings on new tax legislation will start January 7th. What kind of a tax bill do you **REALLY** want?

PUBLIC POWER Do you want private investors to develop our power resources? Or do you want your utility investments damaged by further expansion of government in the socialized power business?

GAS AND OIL Do you want our vital energy resources developed by private enterprise? Or do you want investment values in these industries seriously impaired by failure to pass the Natural Gas Act or by tampering with depletion tax allowances?

HOOVER REPORT Do you want to eliminate waste in Federal government spending? Do you want to stop government competing with its own citizens? Or do you want your tax dollars poured down the rat-hole or spent in government competing with your own business?

LABOR UNIONS Do you believe in the right to work without joining a union? Do you believe the monopoly power of labor leaders should be halted? Do you believe that unions should be subject to the anti-trust laws?—Or do you believe that the meager profit margins of "big business" cause inflation and that the benefits of increased industrial production be completely denied to investors?

WHAT ARE YOU GOING TO DO ABOUT IT?

By joining with our thousands of investor-members in concerted action you can be most effective in protecting your own interests as an investor. You can best help right now by subscribing to the **INVESTORS BULLETIN**. We suggest you purchase two subscriptions. One for your home and one for your office. You may also become a contributing member of the Investors League.

THE INVESTORS LEAGUE

is a non-profit, non-partisan organization with thousands of individual members throughout the nation. It has pioneered since 1942 in planning collective, well-timed political action in championship of all important legislation affecting the interests of investors. It keeps its members informed and suggests how and when to act through its monthly **INVESTORS BULLETIN**. Membership in the League is confined to individuals. Each member has a vote. Regular dues are \$5. per year. Contributing memberships of any amount from \$10. to \$499. per year are also welcomed. Subscriptions to the monthly **INVESTORS BULLETIN** alone (no membership involved) are available for only \$3. per year.

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3. A one-year subscription to the monthly **INVESTORS BULLETIN** which discusses important legislation in the making and suggests the proper timing and method for concerted investor action.

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Congress Committees to Step Up Pace of Investigations This Fall

Besides Hoffa, They Will Cover Money Policy, Taxes, Tariffs, Housing, Farmers

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Congress will step up its between-session tempo with a host of hearings on everything from fiscal policies to Alaskan fisheries in the wake of Senate committee sessions on the Teamsters that start tomorrow.

The Senate inquiry into James R. Hoffa and the Teamsters promises to remain the chief attention grabber of this fall's hearings. But hundreds of legislators will be busy in the weeks ahead on other important matters. These include monetary policy, tariffs, taxes, agriculture and housing, to name a few.

One reason for the oncoming spate of activity is that election pressures are still a year off and the Congressmen can pursue their inquiries without worrying too much about the voters back home.

Money Matters Listed

General fiscal matters and the running battle between the Administration and Democrats on money issues underlie some of this fall's major hearings. One of the broadest inquiries will start November 18. A Joint Economic subcommittee headed by Rep. Mills (D., Ark.) has asked Government and private authorities for their views on the effect of Federal spending on the economy; when or whether spending should be cut to brake inflation, for example; and when or whether outlays should be boosted to avert economic downturns.

Other economic subcommittees have slated sessions on the way the Government and some private groups gather statistics and how valid these are; and on the nature of the farm income problem and how it affects the rest of the economy.

A decision is due early in October on whether to launch hearings on the cost of living by still another joint panel. Should this be undertaken, the inquiry would be headed by Rep. Patman (D., Texas), an outspoken critic of Administration and Federal Reserve Board money policies.

Kefauver to Resume Hearings

Sen. Kefauver (D., Tenn.), who also holds little brief for Administration fiscal thinking, resumes his Judiciary subcommittee's critical look at so-called administered price industries sometime late in October. Bethlehem Steel Corp. officials are scheduled to testify on the latest steel price boost. Other steel company representatives may be called. Before Congress comes back to work in January, Mr. Kefauver plans to go into the farm machinery industry as part of his investigation of industries where, he said, prices aren't set directly by supply and demand forces of the market. The idea behind the inquiry is that present antitrust laws may need to be overhauled to cope with new types of pricing.

Housing, an issue that has pitted liberal Democrats against the Administration, is due for considerable scrutiny this fall. The special House Banking subcommittee on Housing headed by Rep. Rains (D., Ala.) travels to Miami for hearings October 8 and 9 covering a gamut of subjects. Included on the agenda are the growth of second mortgage financing; problems of municipalities in getting money for community facilities; how the Administration has treated the 1957 Housing Act—especially whether discount controls have worked and, if so, what effect they've had on prices paid by the Federal National Mortgage Association for mortgages on the secondary market. In December, the group plans to hear reports on how the urban renewal and slum clearance programs have fared.

The latter topics also will be covered by the Senate Banking Subcommittee on Housing at hearings in six cities from November 2 through the end of the year. Subcommittee Chairman Sparkman (D., Ala.) noted that slum clearance and urban renewal are due "for major review" by Congress next session. He said his panel will try to pin down "any sources of difficulties which tend to slow down or defeat the purposes" of the schemes.

Tariffs and Taxes on Docket

Tariffs and taxes will occupy the attention of some lawmakers in the interval between sessions. A House Ways and Means subcommittee headed by Rep. Boggs (D., Ala.) has docketed a December symposium to gather views of Government and private authorities on the controversial matter of tariff policy. The only hearings on taxes this fall are under way already as the Senate Small Business Committee tours 15 cities to hear businessmen's views on legislation introduced last term to give tax relief to smaller outfits.

Alaskan fisheries and shipping legislation

will be taken up at hearings to be held in various cities this week by a House Merchant Marine subcommittee.

Amid an apparent growing drive to switch more Government responsibility to the states, a House Government Operations subcommittee plans to hit nine cities between the last of this month and mid-December to hear what the city and state officials think about the idea. These sessions are a follow-up to questionnaires the group sent out that brought a rather unexpected majority response in favor of more, not less, Federal help.

A specific Federal-state controversy—application of the Hatch Act restrictions on political activities to local and state officials whose salaries are paid in part by Uncle Sam—is on the docket of a House Administration subcommittee that wants to find out if this section of the law has been carried out. Subcommittee members, who plan to visit Los Angeles and other cities late in October, say some "glowing abuses" have been uncovered at previous hearings. They note almost every state's attorney general has protested this part of the law.

Look Into Consent Decrees

An investigation of the way the Justice Department is negotiating and policing the major antitrust consent decrees has been charted by Chairman Celler (D., N. Y.) of the House Judiciary Committee. The antitrust subcommittee starting October 21 will first study the operations of a 1941 antitrust consent decree affecting major U. S. oil pipelines.

Other Judiciary subcommittees this fall will look into the host of side legal issues posed by the boundary disputes over tidelands oil, and the Supreme Court decision interpreted as sharply limiting the time police have to question suspects before booking them.

The mushrooming spread of trading stamps and their effect on grocery prices is scheduled for review by a House Agriculture subcommittee at hearings in New York early in October. The group, headed by Rep. Arfuso (D., N. Y.), also plans to hear testimony on the general field of food marketing costs. Other Agriculture subcommittees are set to leave Washington for sessions on poultry and egg problems—specifically whether poultry and eggs should be brought under Federal control programs; and to inspect conditions on so-called family farms in the Midwest—those run mainly for the subsistence of individual farmers.

Here's a general rundown on other activities in the months ahead:

Currency Conversion: The Senate Foreign Relations Committee plans hearings in October on the International Cooperation Administration's program to guarantee conversion into dollars of earnings overseas of U.S. publishers and motion picture companies.

Juke Box Royalties: A Senate Judiciary subcommittee led by Sen. O'Mahoney (D., Wyo.) slated hearings later this fall on the lawmaker's bill providing royalty payments for songwriters for use of their discs on juke boxes.

Minimum Wage: A House Labor subcommittee goes to Far Western cities starting October 31 to hear views on extension of Federal minimum wage standards.

Scholarships: Testimony on proposals for a Federal scholarship program to help deserving and needy students through college will be heard by another House Labor subcommittee at Midwest and Far West sessions.

Passports: The House Un-American Ac-

tivities Committee is set to investigate the travel by American youths to Red China despite the State Department's objection.

Government Information: The House Government Operations subcommittee on Federal Information will wind up hearings on the Pentagon's secrecy policies in mid-November.

Foreign Aid Military Bases: Congressional Foreign Affairs, Government Operations, and Appropriations groups will journey to Europe and other overseas areas to check on military and foreign aid programs.

August Small Business Loans Dropped Sharply Below July

WASHINGTON—Government loans approved for small business dropped off to 187 payments totaling \$7,014,000 during August, from 302 loans for \$18,300,000 in July.

The Small Business Administration reported at the same time August disaster loan approvals climbed to 284 payments for \$1,941,000, from 163 loans valued at \$324,000 during July.

Time Your Selling To The Time Of Purchase Market

Because it is where you will find your big market today...

young homemakers with the need, desire and ability to buy.

They are at the Time Of Purchase.

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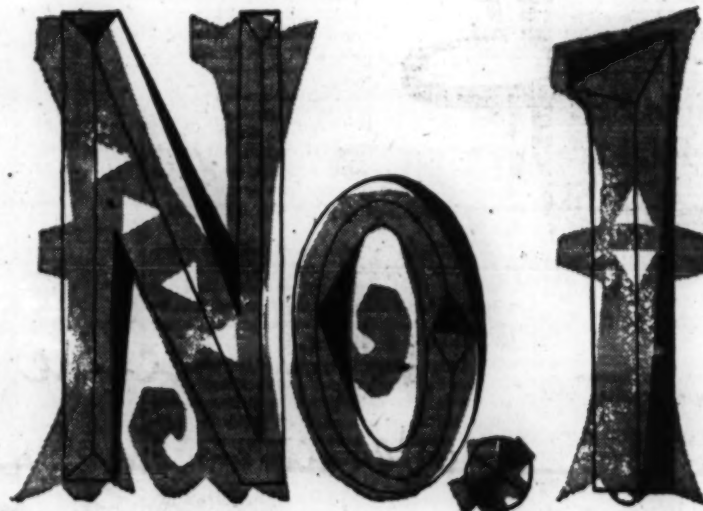
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**160 ACRES
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WRITE FOR specially prepared booklet entitled—"The Midwestern SITE for INDUSTRY on the Go."

Industrial Dept., CHAMBER OF COMMERCE
WATERLOO, IOWA



No. 1 IN CIRCULATION—For the first nine months of 1957, Ladies' Home Journal circulation will average an all-time high—over 5,450,000!

No. 1 IN NEWSSTAND SALES—At the newsstands, the Journal continues to outsell—and by a wide margin—all other magazines edited for women.

No. 1 IN ADVERTISING REVENUE—For the first nine months of 1957, advertisers invested more money—and by a wide margin—in Ladies' Home Journal than in any other women's magazine. They invested nearly \$22,000,000—an all-time high.

No. 1 IN IMPORTANT P.I.B. CLASSIFICATIONS—Ladies' Home Journal continues to lead in advertising revenue among all magazines edited for women in important P.I.B. classifications. To name a few—Toiletries & Toilet Goods; Drugs & Remedies; Food & Food Products; Household Furnishings; Soaps, Cleansers & Polishes; Household Equipment and Supplies.

No. 1 IN MERCHANDISING—Ladies' Home Journal continues to lead in merchandising, with continuous and widely used retail promotion services for grocery, drug, appliance, home-furnishings, jewelry and department stores. Each is designed to help retailers sell more Journal-advertised products.

The No. 1 magazine for women...

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Ask this firm
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Santa Clara County

SYLVANIA ELECTRIC PRODUCTS, INC.

"Our choice of Santa Clara County, California, was based on the excellent combination of factors so vital to business success..." according to Sylvania's Chairman and President Don G. Mitchell.

Write today for the important facts about this western electronic center. Ask for the new folder—"DISTRIBUTION FACTS ABOUT THE WEST!"

SAN JOSE
SANTA CLARA COUNTY
California

SAN JOSE CHAMBER OF COMMERCE
Dept. 28, San Jose, Calif.

Who's News

Management— Personnel Notes—

Commerce and Industry

Power Reactor Development Co. (Detroit)—Robert W. Hartwell was named general manager of this 21-company organization, which is building an atomic power plant near Monroe, Mich.

Bush Terminal Co. (New York)—James G. Connor, Jr., was elected a director as the number on the board was increased to 11.

General Tire & Rubber Co. (Akron)—Thomas H. Bateson was promoted to vice president of the Yankee division of RKO Radio Pictures, Inc., a subsidiary. The Yankee division operates radio and television stations in New England.

H. K. Porter Co., Inc. (Pittsburgh)—James P. Raugh was named vice president and general manager of the refractories division. He was formerly vice president of operations for General Refractories Co.

United States Steel Corp. (Pittsburgh)—Ralph C. Moffitt was appointed purchasing vice president.

Freeman Coal Mining Corp. (Chicago)—Frank Nugent, executive vice president for 11 years, was elected president to succeed Stuart Colton.

Chicago, Rock Island & Pacific Railroad (Chicago)—Martin L. Cassell was appointed general solicitor.

Cook Electric Co. (Chicago)—Robert M. Lundgren of St. Charles, Ill., was elected a director of Nucleyne Corp., a subsidiary which builds nuclear reactors and associated equipment.

Pittsburgh Plate Glass Co. (Pittsburgh)—Edwin T. Asplund was elected chairman to succeed Harry B. Higgins, who is retiring. Felix T. Hughes was elected vice president of the merchandising division.

Bell & Howell (Chicago)—Fletcher C. Waller was named to the newly-created post of staff vice president available for special assignments of this maker of cameras, photographic equipment and recording machines.

Sabre-Pinon Corp. (Dallas)—J. R. Dilworth, New York, was elected a director of this uranium mining company.

Smith-Douglas Co., Inc. (Norfolk, Va.)—R. S. Rydell was elected vice president of chemical products of this manufacturer of fertilizer and fertilizer products. R. F. Hopkins was named vice president of Texas City Chemicals, Inc., a Smith-Douglas subsidiary.

American-Marietta Co. (Chicago)—Lewis M. Pfister was named vice president in charge of staff operations of Sinclair & Valentine Co., a division of American Marietta. The company makes chemicals, paints, resins, adhesives and building products.

St. Louis-San Francisco Railway Co. (St. Louis)—E. G. Baker was appointed to the new post of vice president in Birmingham, Ala., effective November 1. Frank L. Coulter will succeed Mr. Baker as vice president and executive general agent in New York.

Ogilvy, Benson & Mather, Inc. (New York)—Paul J. Caravatt and James R. Heekin were named vice presidents of this advertising agency.

Gillette Co. (Boston)—Stuart K. Hensley was elected president and chief executive officer of TONI Co., a division that makes home

permanent wave kits. He succeeds R. Nelson Harris, founder of the company. Mr. Harris was named Gillette vice president responsible for the over-all operations of the TONI and Paper Mate divisions. Paper Mate produces ball-point pens.

ThriftyMatic Corp. (New York)—S. H. Chelsted was elected president of this supplier of check imprinting equipment.

Pan American-Grace Airways, Inc. (New York)—Kenneth A. Lawder, treasurer of W. R. Grace & Co., was elected a director.

Coden Petroleum Corp. (Big Spring, Texas)—Marvin M. Miller and Dan M. Krause were elected to the new posts of senior vice president. Richard M. Johnson was elected a vice president.

Textron, Inc. (Providence, R. I.)—John M. Carter was elected president of the California Technical Industries division of this diversified manufacturer.

American Airlines, Inc. (New York)—G. Marion Sadler was elected vice president of customer service.

Powell River Co., Ltd. (Vancouver)—John E. Liersch was appointed to the new post of executive vice president of this producer of newsprint, pulp and building paper.

Denver & Rio Grande Western Railroad (Denver)—Charles C. Gates, Jr., executive vice president of Gates Rubber Co., Denver, was elected a director. A previous item identified Mr. Gates as an official of the railroad.

Finance

National Shawmut Bank (Boston)—Richard B. Young, president of Acushnet Process Co., New Bedford, Mass., was appointed a director.

Harriman Ripley & Co. (New York)—Kenneth A. Keith, managing director of Philip Hill, Higginson & Co., Ltd., London investment banking company, was elected a director.

First National Bank of Arizona (Phoenix)—Mont E. McMillen, president, was elected chairman and chief executive officer. Sherman Hazeltine, previously president of the Bank of Arizona, Prescott, was elected president, succeeding Mr. McMillen. The action followed merger of the two banks.

First National Bank & Trust Co. of Paterson (Paterson, N. J.)—R. Stuart Keefer, president of Okonite Co., was elected a director.

Ohio Citizens Trust Co. (Toledo, Ohio)—Randolph H. Barnard, president of L.O.F. Glass Fibers Co., was elected a director.

DuPont to End Output Of Type 168 Cord Rayon

NEW YORK—The Du Pont Co. announced in Wilmington, Del., it will discontinue on December 1 production of Type 168 Super Cordura high tenacity rayon at its Richmond, Va., plant.

Du Pont said employees making Type 168 which has been made only at Richmond, will be used either in turning out Type 272 Super Cordura rayon for tire cord, or in a new Richmond nylon plant which is slated to start production in January.

Lithographers Union Asks Fund to Spur Automation

CHICAGO—Some 200 delegates to a convention of the Amalgamated Lithographers of America are expected to endorse this week a \$2 million research fund for developing new automation techniques in the graphic arts industry.

Under the plan, the union and employer groups would contribute \$1 million each to the fund. The proposal is to be outlined today by Edward Swaydick, president of Local 1, New York. Donald Stone, secretary-treasurer of the international union, said the plan has already been studied by the international council, and added "there isn't any question" that the full convention will endorse the plan.

Mr. Stone said lithography already "leads the field in research in the graphic arts industry," through work at the Lithography Technical Foundation Laboratories here.

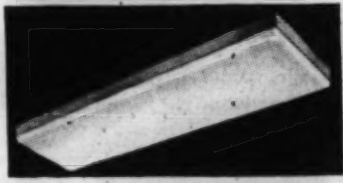
Solar Aircraft Gets Contract

SAN DIEGO—Solar Aircraft Co. has received a \$4 million to \$5 million contract from the Air Force Air Materiel Command for gas turbine-powered airborne generator sets.

An audit
of your
lighting
needs
can cure
"Invisible
Absenteeism"



It isn't always indifference that keeps people at the water cooler. Frequently, inefficient lighting is the cause. Cure: A call to Lightolier. We can audit your lighting needs, furnish a lighting plan, show you units like the Optilex illustrated. It's a trim, efficient fluorescent—entirely glare-free—inexpensive to install and maintain. For details, write today to LIGHTOLIER, Dept. WJ, 9 E. 36 St., New York, or call LEXington 2-2900, Extension 1.



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U. S. Crude Oil Stocks

WASHINGTON—The nation's crude oil stocks declined slightly during the week ended September 14 to 282,004,000 barrels, or 386,000 barrels less than a week earlier, the Interior Department said.

The decline, the agency explained, was caused by a 389,000-barrel drop in stocks of domestic crude that was slightly offset by a 3,000-barrel increase in stocks of foreign crude.

New York Central to Test Xplorer in Commuter Area

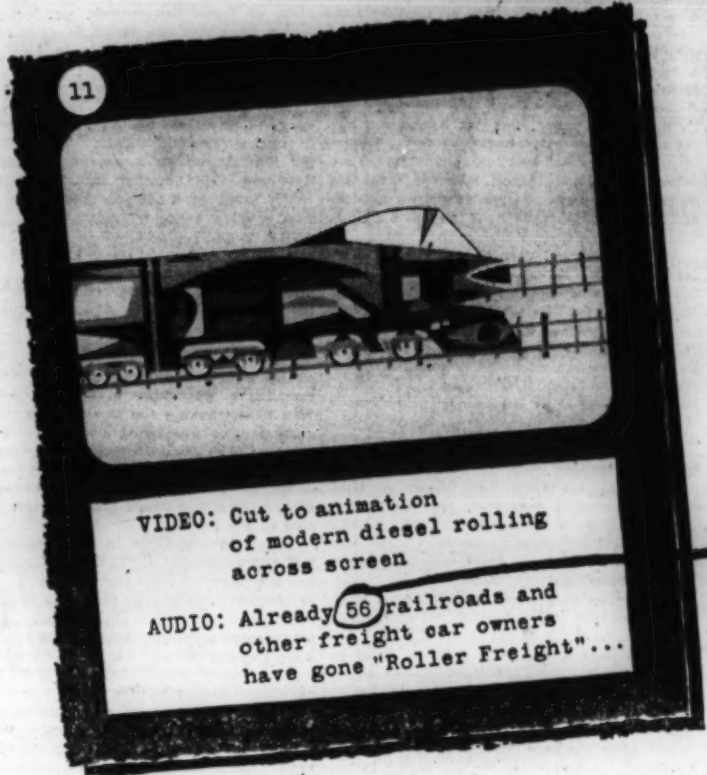
NEW YORK—New York Central Railroad's lightweight train, the Xplorer, will be assigned to the 100-mile run between Chicago and Elkhart, Ind., to test the train in a mass transportation area.

The Xplorer, which will replace a conventional train, will run daily except Sunday in the test assignment, beginning October 27. It has

been in daily service between Cleveland and Cincinnati since its introduction in June 1956, but recently has been undergoing extensive design, structural and wear studies Central's Beech Grove, Ind., shops.

One car, which had been converted to lounge car shortly after the Xplorer was introduced, is being reconverted to coach seats, storing the train's capacity to 392 persons.

Last minute change in our TV commercial



**TONIGHT ON
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9:30-10:30
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Now 61

**The railroads are
going "Roller Freight"
faster than we can
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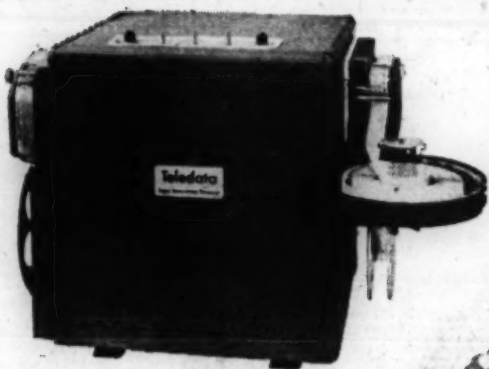
SINCE our commercials were produced a few weeks ago, five more railroads have gone "Roller Freight".

Don't miss the first Timken Televest Hour tonight, "Eleven Against the Ice", the story of the Antarctica

Turnpike in color. See five Navy men and six Army men blast and bulldoze a trail over 600 miles of Antarctica ice. See them battle temperatures 120 degrees below zero and crevasses that could swallow a 20-story building. It's a triumph

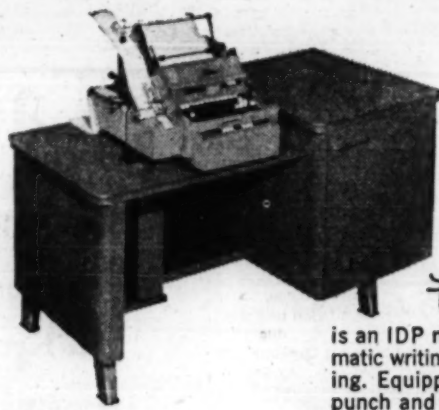
of engineering and human courage—a whale of a TV show. Over 126 NBC-TV stations tonight.

**The Timken Roller Bearing Co.
Canton 6, Ohio**



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is the automatic tape transmitter-receiver unit used at each end of communication systems such as commercial telegraph lines, telephone circuits, micro-wave systems. Compatible with 5, 6, 7 or 8 channel tape equipment. Data is transmitted in either direction by means of electro-mechanical tape duplication.



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is an IDP machine combining automatic writing and automatic calculating. Equipped with automatic tape punch and reader, it interprets and records both alphabetical and numerical data. Produces tape enabling other machines to transfer data to punched cards or accounting records; or data may be sent by wire to other offices. The Friden Computer is widely used to systemize billing, inventory, cost analysis, sales distribution, statistics, other typing-computing operations.



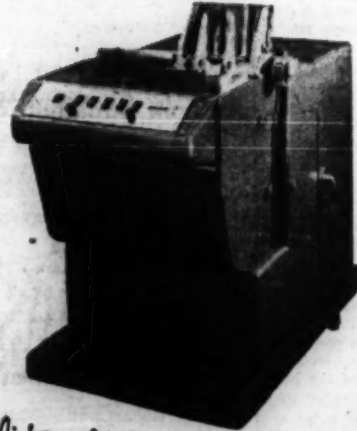
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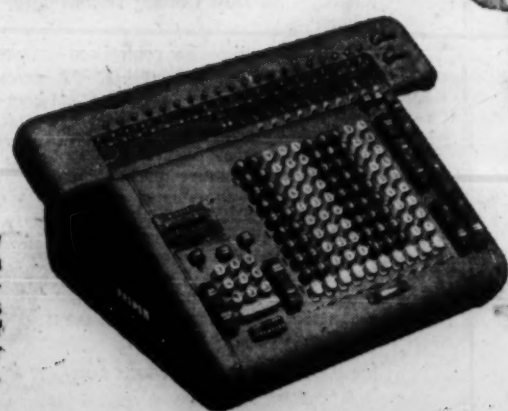
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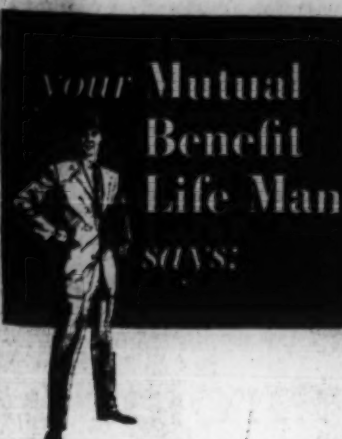
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Copper Demand at Custom Smelters Turns Quiet Again at 26-Cent Price

Kennecott to Close Its Chino Mine in New Mexico 12 Days for Repairs

By THOMAS J. KELLER

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—Demand for copper again has turned quiet at the custom smelter price of 26 cents. And both consumers and producers insist production cutbacks here and abroad must be more extensive than they have been if a supply-demand balance is to be achieved.

A step in this direction was taken last week by Phelps Dodge Corp., the nation's second largest copper producer. The big mining firm announced it has reduced output of its Arizona mines by an additional 5%, or roughly 1,200 tons a month. This brings the company's cuts over the past year to 15%, or about 3,500 tons a month, with current output figured to be around 19,000 tons monthly.

Kennecott Copper Corp., the top world and U. S. copper miner, has not announced any definite production cutbacks so far, although the company is believed to be studying the situation carefully. Kennecott, however, is making some contribution through suspension of operations for short periods at two of its U. S. mines to make repairs.

W. H. Goodrich, general manager of Kennecott's Chino Mine, at Hurley, N. M., announced mining operations at Chino would be suspended for 12 days beginning September 29. The purpose of the shutdown, he said, is to make repairs at the mine's power plant, mill and smelter.

The Chino mine, it is estimated, has been producing copper at the rate of 5,000 tons a month, and the 12-day suspension indicates a loss of about 2,200 tons.

Earlier Kennecott Shutdown

Previously Kennecott shut down its Utah mine, its biggest producer, for eight days starting August 26 to install equipment. Utah's output has been running around 20,000 tons a month, so the closing represented a production loss of about 2,400 tons.

Kennecott's vice president, Frank R. Milliken, on an inspection trip of the company's properties, said in Hurley, N. M., that the copper industry's principal problem is inadequate demand.

Mr. Milliken thinks the copper industry's problem will not be solved by "unreasonably high tariff barriers," which, he declared, "would only increase the price of copper to the consumer and decrease his desire to use copper." At the American Mining Congress, a little more than a week ago, an official of Phelps Dodge Corp. proposed that a plea be made for a four-cent a pound import tax and a 32-cent "peril point" at which level the duty would become effective. The present duty of two cents a pound is suspended until June 30, 1958, but it would become effective before then if the price of the metal for any calendar month averaged below 24 cents a pound. The big U. S. producer's price is currently 27 cents a pound.

The Kennecott vice president said the copper industry's problem of inadequate demand is caused in part by substitutions during the period when copper was priced as high as 46 cents a pound, plus a less than expected demand from the building and automobile industries. "In the face of this," he added, "we are also feeling the impact of production increases which were inspired by defense demands of a year ago, and these production increases have only recently come into effect."

Return to Normalcy

C. D. Michaelson, general manager of Kennecott's Western Mining division, also said in Hurley, that the copper industry is, in a sense, returning to a period of normalcy after years of producing to meet unusually high demand. "For a number of years," he said, "the emphasis has been on a high level of production. Now we must concern ourselves with efficiency

in production at lower costs. It's simply good business."

Mr. Michaelson said that studies are being made by the Chino division management to bring about a program of cost control so that the mine may continue to operate in the highly competitive market.

The severe year and a half drop in copper's price and the decline in consumer demand have resulted in American mine cutbacks or mine closings totaling around 9,000 tons a month. Most of the tonnage cutbacks have been in effect for some time. These cuts also have been offset by production from new mines coming into operation.

The low price for copper, too, it is understood has resulted recently in copper from a few of these mines being tendered to the Government under defense production contracts made several years ago to stimulate production. Most of these Government purchase agreements have run out, but it is estimated that among the few that remain in effect, about 4,000 to 6,000 tons have been put to the Government buyers at the specified floor prices.

Foreign mines have not reduced output to as great an extent as U. S. mines, according to official announcements. Those made so far indicate cutbacks abroad totaling about 6,000 tons. This includes an announcement recently made by a Chilean government official that several small high-cost mines in Chile with a monthly production of about 3,000 tons are being closed. These are operated by Chilean nationals and other interests. But the official said no curtailments were planned for the big mines owned by Anaconda and Kennecott.

Demand for Metal Eases

Domestic custom smelter concerns last week reported a slackening in demand, compared with heavy buying the week before when the custom price was rising a cent to the 26-cent level. Large domestic producers, who maintained their price at 27 cents a pound, said demand for copper at their cent-a-pound higher price was about "normal" for this period of the month.

Other developments in the copper market last week included erratic movements of the metal's price on the London Metal Exchange, restoration of price cuts made the week before by large African copper mines, and the British government's decision to postpone the sale of a big tonnage of copper from its stockpile.

The London Metal Exchange price for copper dipped to the equivalent of 24 cents a pound last Tuesday, off a cent and a half compared with the close the week before. The price rallied to 25½ cents at midweek. The London price then moved down to 24½ cents its final price, after the Bank of England's action in raising its discount rate to 7% from 5%. The Bank's move to check inflation and bolster sterling exchange is expected to cut home consumption of copper goods.

Britain Delays Sale of Copper

Meantime, the British government announced it had decided to shelve its plan, announced a month ago, to unload 27,000 long tons of copper from its stockpile. The decision to postpone the sale, it was stated, was taken "in view of the disturbed state of the market." The government's position will be reviewed again toward the end of the year, the British Board of Trade stated.

As an aftermath of the preceding week's price strength in London, the Rhodesian Selection Trust, Ltd., group of African copper mines last week restored a previous price cut of 1¼ cents a pound, bringing the price charged British consumers back to 28 cents a pound.

The big Belgian Congo producer, Union Minière du Haut Katanga, also advanced its price by 0.95 cents restoring a price cut made the previous week, bringing the quotation back to 25.45 cents a pound New York and Belgium.

The markets for lead and zinc last week were relatively quiet with industry members awaiting a move to petition the Tariff Commission for higher import duties. Lead's price held steady at 14 cents New York, and zinc's price at 10 cents East St. Louis.

Seaton Clings to Hope Oil Firms Will Observe Voluntary Import Curbs

But He Holds Out Possible Threat Of Mandatory Controls If Importers Fail to Comply

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Interior Secretary Seaton is clinging to the hope that oil companies will voluntarily curb their imports in line with the Administration's plan, but he's holding out a warning club just in case.

Mr. Seaton told a press conference he "expected" Sinclair Refining Co. and other oil importers to abide by the voluntary program. If they don't, he warned, the President might order mandatory controls or Congress might take action next session.

"I would assume," he declared, "the companies would much prefer voluntary controls." Last week Sinclair told the Interior Department it would not trim its imports of crude oil to the Government-prescribed level until its appeal for a higher quota was decided.

Capt. Matthew Carson, who's been hearing testimony from oil importers on the voluntary program, promised he would give Secretary Seaton his recommendations on the appeals of several companies before the end of the month.

The captain must decide whether to grant the requests of new companies in the field for higher import quotas. Established oil importers have threatened to walk out on the program if the newcomers get their way.

On copper industry problems, the Secretary said he "couldn't say at this time" if the department planned to ask Congress for any kind of legislation next session to help producers of the metal, troubled by falling prices.

"However," he declared, "copper or any other mineral in trouble deserves our attention."

Though he said he had not been in touch with the copper industry since his trip abroad, Mr. Seaton discarded the possibility the industry might take its case to the tariff commission between now and the time Congress returns.

Interior officials insisted "no insoluble" problems developed at the hearings with the oil companies. They insisted Sinclair's action was not a defiance of the Government-sponsored quota curb but merely a delay on the

part of the company until the appeal decision was handed down.

"I, personally, would expect Sinclair and other importers to arrange their affairs so as to comply with the voluntary program," Mr. Seaton declared.

What if the company doesn't and the program fails? Mr. Seaton said three alternatives were open: The Government could do nothing; President Eisenhower could order mandatory controls; or Congress could take action next session.

The secretary said he didn't know what would be done, but he felt inaction was the "least likely" possibility.

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Government to Get Rid Of Big Nicaro, Cuba, Nickel Plant, GSA Says

Agency Says Facility Will Be Leased or Sold, Cites Rising Supply of Metal for Action

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Government will soon dispose of its big nickel plant at Nicaro, Cuba—second largest nickel facility in the free world—by leasing it to a private firm or selling it.

A request for proposals from interested companies, along with the terms on which the plant will be turned over to private enterprise, will be issued later, according to the General Services Administration, which supervises the plant's operation.

Originally built in World War II and then re-opened and expanded in the Korean emergency, the plant represents a total Government investment of \$85 million. It is currently operated for the Government by Nickel Processing Corp., most of whose stock is held by National Lead Co. Cuban interests own a minority portion.

The expansion of Nicaro's capacity to 50 million pounds of nickel a year from 30 million pounds was completed in March of this year. Since May, 1954, when the Government suspended stockpile purchases of nickel to ease the supply for commercial users, the Cuban facility's output has been entirely available for private use.

The terms for leasing or selling the plant, the G.S.A. said, will include a provision guaranteeing that, in the event of future need, a certain portion of the plant's output will be available to the Federal Government.

National Lead's contract to operate Nicaro expired June 30 but was extended another six months pending a Government decision on whether to dispose of the plant. Previously, the G.S.A. and National Lead had failed to reach agreement on terms under which the latter would take over the plant under a lease. However, it is understood, the company is still interested in taking over the plant, since it already operates it through its subsidiary.

The decision to dispose of Nicaro, approved by the Office of Defense Mobilization and other interested agencies, was prompted by the prospect that supplies of nickel from commercial sources will be sharply increased in coming years, the G.S.A. said. It noted that in recent years several new companies have entered into production of the metal.

This prospect, the agency said, plus the fact the Federal nickel stockpile has grown since the plant's expansion was begun, has "diminished the need" for continued Government operation of the plant.

FDIC's Fund Rises

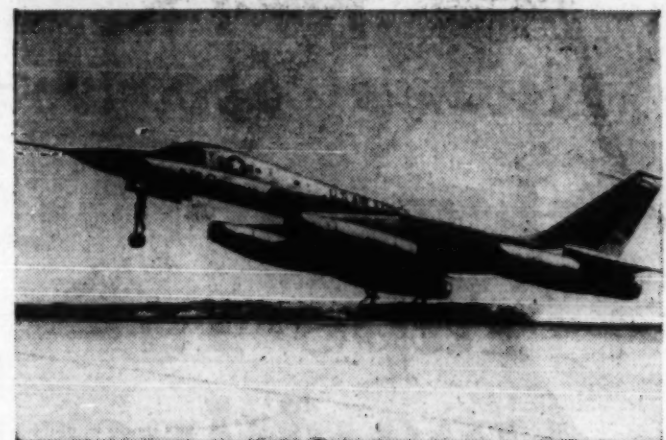
WASHINGTON—The Federal Deposit Insurance Corp. reported net income of \$52,789,141 for the six months ended June 30, boosting its deposit insurance fund to \$1,795,381,613.

Banks insured by the agency at mid-year totaled 13,445, the report said. This increase of four banks over the end of last year reflected 70 additions of banks starting operations or becoming insured for the first time and 66 reductions resulting from bank mergers, absorptions and two suspensions.

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STRIKING STRENGTH—The Conqair B58 Hustler, spectacular new addition to our air arm, delivers an extremely accurate and lethal "punch." One of the reasons for its superior fire power efficiency is Silastic, the Dow Corning silicone rubber.

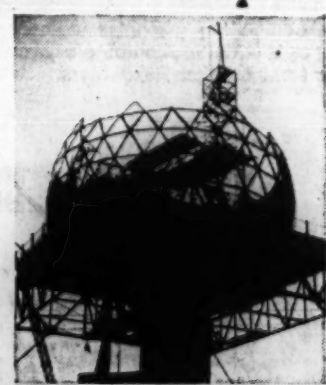
The B58's electronic fire control centers need protection against jolting and electrical leakage. Silastic provides for that need. Silastic cushions and insulates the fire control "brains" against the roughest flight, despite the sub-zero temperatures encountered aloft. Silastic also remains resilient when subjected—as often occurs in this equipment—to temperatures of 350°F. Designed and produced for the Conqair B58 by Emerson Electric Manufacturing, these electronic packages, cushioned in Silastic, assure the Hustler's ability to deliver.

On the civilian front, products ranging from "fry pans" to electric motors—

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Small Businesses Due for Helping Hand From Big Ones at Forum Starting Today

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—Hundreds of small businessmen will stream into Washington today to learn from big business how to run their companies more profitably.

Operators of little plants, haberdasheries, bakeries and scores of other small firms will sit in for three days on sessions dealing with such topics as how, by applying new methods, to cut costs, train research personnel, buck up sales and train hunches. And they'll listen to speeches by President Eisenhower, Secretary of Commerce Weeks and Small Business Administrator Barnes.

The forum, impressively-titled the President's Conference on Technical and Distribution Research for the Benefit of Small Business is designed to help small companies cash in on the latest advances in technology and marketing.

Dr. Eric A. Walker, president of Pennsylvania State University and chairman of the conference, declares its objective "is to inform small business how best to use research in producing goods and services and in selling them." Dr. Walker adds "large companies have been able to afford elaborate research organizations and to take the lead in industrial innovations. By and large, small concerns have not been able to compete individually on research, but they can do a lot through joint efforts and through using the many resources available to them."

The conference will be run by businessmen, educators and representatives of research organizations with a helping hand from the Commerce Department and the Small Business Administration. It was called at the suggestion of the Cabinet Committee on Small Business.

In Washington, Rep. Frank Thompson, Jr. (D., N. J.) said yesterday that the President's conference "is a massive public relations job to gloss over unpaid promises," the Associated Press reported. He charged "95% of Federal research funds go to a few large firms."

After a series of speeches today, the small

businessmen will attend workshop sessions tomorrow and Wednesday to learn the sources of research aid that can be tapped by little companies to bolster production and sales. Between 25 and 50 businessmen will participate in each session.

On hand to conduct the sessions will be authorities from Government, business, colleges, professional groups, research outfits and trade publications. Among the speakers scheduled for these sessions are Governor Lane Dwinell of New Hampshire and Frank M. Suter, president of the National Automobile Dealers Association.

Invitations to attend the conference were issued to small business operators to give the meeting a cross-section of representatives from many industries and various sections of the country. Conference officials say that while they wanted to invite as many men as possible, they had to limit the size of the attendance to make the conference manageable.

Dr. Walker notes, though, "the results of the conference will be published" and distributed widely "to provide a supermarket of ideas from which small businessmen can choose."

The conference program, according to Dr. Walker, was drawn up on the basis of a grassroots survey of small businessmen. It was discovered, he says, "that many of the businessmen do not realize what research could do for them and do not know how to take advantage of the work others have done."

Arthur H. Motley, president of Parade Publications, Inc., and a deputy director of the conference, reports the survey showed few small distributors now undertake research "on a systematic basis. They do a lot of it, of course, in an informal way. The conference ought to help make clear that the organized kind of research can improve sales, cut costs, find new markets and satisfy customers."

Funds for planning and staging the conference have been supplied by the Commerce Department and the S.B.A. The small businessmen will pay their own travel and hotel expenses plus a \$25 fee to cover meals, receptions and conference publications.

Hurley Denies Charge Studebaker Pact Cost Taxpayers \$25 Million

Curtiss-Wright Official Calls Hebert's Statement "Unwarranted";
Lawmaker Refuses to Retract

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—President Roy T. Hurley of Curtiss-Wright Corp. flatly denied a charge that his company's operating contract with Studebaker-Packard cost the taxpayers \$25 million.

In a statement filed with the Special House Armed Services Investigating subcommittee, Mr. Hurley said the assertion by Subcommittee Chairman Hebert (D., La.) at hearings last summer was "unwarranted" and that "no proof was ever offered nor could it be."

Rep. Hebert, however, declared the Curtiss-Wright statement not only "clearly establishes" that Studebaker-Packard was "bailed out" from looming bankruptcy but "indicates that instead of costing \$25 million to the tax-

payors, the deal really cost many millions more."

The dispute centers chiefly around \$25 million Curtiss-Wright paid the automobile corporation as advance rental for two defense plants, at Utica, Mich., and South Bend, Ind. The lawmaker said this sum "is reflected in the cost of operation of the defense plants, which, of course, is paid for out of American taxpayers' money."

However, Mr. Hurley said the cost of plant rearrangement to overhaul jet engines was \$475,000, which would be included in the price of the engines but would not result in any additional profit. In addition, he said, the Air Force awarded the plants a \$1,300,000 contract for additional facilities to do the work, with no profit attached to this either. These sums, he indicated, are the only ones that could be attributed to additional defense spending as a result of the new arrangement on the engine contract. "The sum of \$25 million bears no relation to the . . . overhaul contract whatsoever," he declared.

The Curtiss-Wright hookup with Studebaker-Packard was worked out on conditions "which Curtiss-Wright believed necessary for the rehabilitation of that company and the preservation of the business and defense facilities," Mr. Hurley said.

He added that his company "made it perfectly clear" in negotiations with the Defense

Department "a very large amount of new business was imperative" for Curtiss-Wright to justify committing a \$25 million investment in Studebaker-Packard. "It was made equally clear by the Defense Department at the time that there was a very large requirement for the kind of procurement suitable for production" at the two defense plants, he told the subcommittee.

Mr. Hurley went on to say that the threat of legislative investigations "have caused the branches of the Government to be so cautious in their dealings with us that it is becoming a burden."

Armstrong Cork Co.

PHILADELPHIA—Armstrong Cork Co. said it will introduce a dozen new tile patterns to its line of resilient flooring this week.

The Lancaster, Pa., firm said they include four parquet linoleum tile patterns and eight new designs in Excelon tile. The company said it plans to introduce the new patterns in an effort to help dealers make over-the-counter sales of linoleum tile.

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Tax Foundation Says All Nation's Taxes Take 25% to 33% of Income

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—The total tax bite by all levels of government in the U.S. has been running about one-fourth to nearly one-third of the country's income, according to the Tax Foundation.

The foundation says it's hard to say precisely how heavy the tax burden is because of a lack of agreement over whether tax collections should be measured in terms of gross national product, net national product, national income, personal income, or some other yardstick.

For the foundation's money, the most appropriate base on which to measure total tax burden is net national product—the total of

goods and services less capital depreciation charges—the research group decided in a special study.

The study reasons that a comparison of taxes with gross national product implies part of the tax load might have to be met out of allowances for depreciation, included in the gross national product. This, it comments, would be justified only in wartime emergencies.

According to Commerce Department figures for 1956, total taxes of \$105.6 billion were 27.8% of a net national product of \$380.4 billion, 25.5% of a \$414.7 billion gross national product and 30.7% of national income of \$343.8 billion.

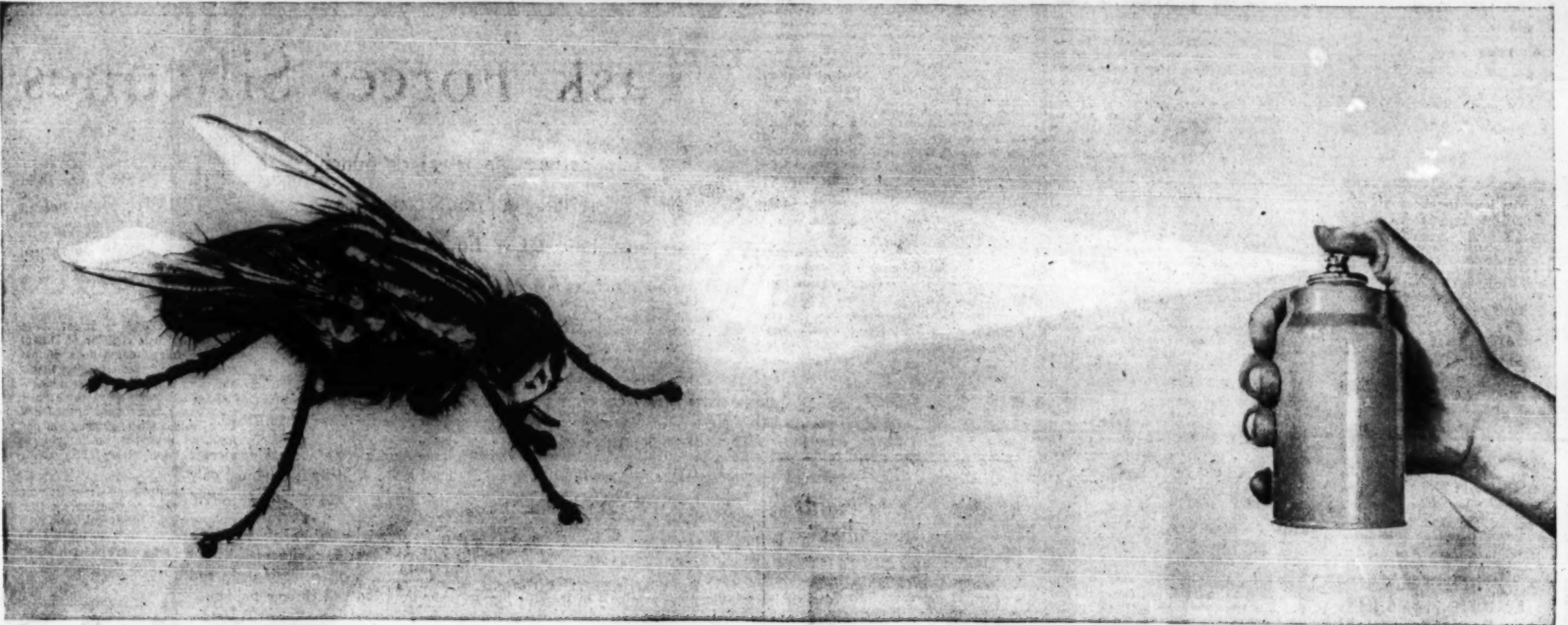
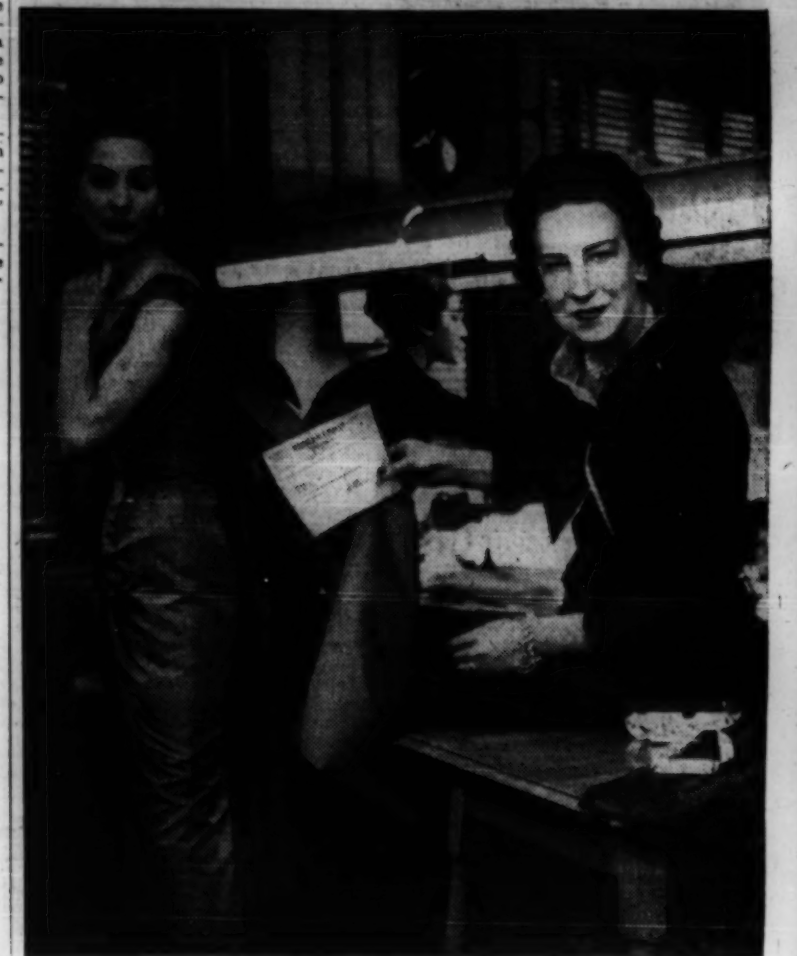
Even net national product as a basis for comparison "should not be pressed too far," says the Tax Foundation, mainly because the sources from which taxes come cannot always be pinned down exactly.

But of one thing the foundation is sure: At \$105.6 billion, the total of taxes taken in last year was a record high.

Designer Ceil Chapman Creates a New Fall Model with Telegrams

"The telegram has fascinated me for a long time," says Ceil Chapman, noted designer, "because it so typifies the fast pace of this fashion business. About 3:30 one afternoon, I found I had to tell 78 store buyers about a price change effective first thing next morning! There's only one way I know of handling such a situation . . .

Western Union's 'one-to-many' message service. I wrote one telegram, gave it to Western Union, and they wired all 78 customers at once." Dramatic . . . but not unusual. More than a million times a day, business finds it wise to wire! Speed plus the written record make the telegram essential to business.—WESTERN UNION



THIS IS NATIONAL STEEL

Meet a fly about to commit insecticide

Pushbutton products in pressurized tin cans
are revolutionizing U.S. living habits



NEW YORK, N. Y. — When tempted to toes around such superlatives as "fabulous" and "phenomenal," you might well consider the

spectacular rise of the aerosol (or pressurized product) industry. In less than 10 years its production has rocketed from zero to more than some 350 million units yearly. And from a single product—insecticide—

to more than 100 products for our better health, comfort and convenience.

Hair sprays and shaving lather, for example. Dessert toppings and fire extinguishers. Sun tan lotions and personal deodorants. Medicines, paints, waxes, pet and garden sprays . . . the list goes on and on. And new products are ever being made available.

A "Bomb" Started It

H. W. Hamilton, secretary of the Chemical Specialties Manufacturers Association, estimates a business volume in aerosols of "more than a third of a billion dollars a year—and it's fast multiplying."

"The industry," he reports, "sprang from the insecticide 'bomb' used by World War II GI's. These were small steel cylinders filled with pressurized gas to propel the bug-killing agents. Civilians took to them, too, for their novelty and convenience."

Then, through the resources of the canning industry, economical dispensing valves were developed, and in 1947 the first low pressure aerosols came out. "The low pressure," Mr.

Hamilton points out, "means only a lower pressure of gas than in the original 'steel bombs.' Acceptance by the public was instantaneous. And so a lusty new industry was born—via the lightweight, easily stored, spillage-safe and disposable pressurized tin can."

Compressed and liquefied gases are used to discharge the mist, foam, liquid, dry powder or whatever type of product is to be propelled through the nozzle by a pushbutton touch on the container's valve. The type of gas depends upon many factors and is given careful consideration by manufacturers. The propellant gases most widely used are among the fluorinated hydrocarbons. Certain liquefied petroleum gases find use, too. In food aerosols, nitrous oxide and carbon dioxide are usually the propellants. The name "aerosol"—literally a fine airborne mist or spray—today is the generic term for the whole industry.

"Metal can manufacturers were active in this field from the very beginning," says Mr. Hamilton. "The cans made to specifications they helped develop have withstood all tests in labo-

ratories, factories, homes. Today, aerosols are a great favorite everywhere, primarily for their convenience."

National's Role

The "tin" can is really steel thinly coated with tin to resist corrosion. It takes tin plate in enormous quantities to make the more than 40 billion cans the canning industry uses each year. And our Weirton Steel Company is a major supplier of both electrolytic and hot-dipped tin plate.

Of course, tin plate is just one of the many steels made by National Steel. Our research and production men work closely with customers in many fields to provide steels for the better products of all American industry.

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The County Fair: Carnivals, Farm Shows Compete for the Crowds

Continued From First Page

shut up shop at fair time. "They'd rather work and make that \$34 a day. And who can blame them?"

Not every old-timer thinks everything was better in the old days, though. Edgar Fink, a wrinkled 75-year-old who attended his first Allentown fair in 1889 (the fair dates from 1855), insists "it isn't any worse." In fact, he says, slicing a heavy cane at a young man stepping too close to the fruit and vegetable exhibits he supervises, "better quality produce is being shown today and the competition is keener."

The Allentown fair is a quarter million dollar a year operation that, unlike many public events, manages to turn a small profit. Last year's income totaled \$254,918; biggest revenue producers were fees from concessionaires, grandstand ticket sales and admission charges. After all the bills were paid, the fair showed a net profit of more than \$28,000, more than triple the previous year's earnings.

Stock in the Fair

The Allentown fair is owned by 1,000 shareholders, each owning one share. The stock in the Lehigh County Agricultural Society, as the corporate organization is formally named, was first issued in 1855. Initially, each share was priced at \$10. Until recent years most of the stock was held by the society and used as collateral for loans. To raise money to expand, the society over recent years has sold its remaining shares to the public at \$400 a share. On the rare occasions that a share changes hands nowadays, the price is more than \$500.

No dividends are paid but each shareholder gets \$32.50 in fair tickets each year. However, stock ownership isn't completely an outcropping of civic mindedness; the value of the fair's property exceeds \$20 million, which presumably would be distributed among shareholders if the fair ever were liquidated.

Though fair time lasts for only a week in the fall, the operation includes year-round planning and work. At Allentown, this is done by Frank F. Hausman, unpaid president of the Lehigh County Agricultural Society, and Edward G. Leidig, a retired automobile dealer who is paid \$8,000 annually as the fair's general manager and treasurer.

During fair week there's a vast mixture of locally-directed activities and outside entrepreneurs. In general, the rural aspects of the fair—contests, exhibits, and the like—are run by home folks while entertainments are imported.

Anyone setting up shop at the fair, whether it is a church cake booth or a penny pitch on the midway, pays rent to the agricultural society. Rentals run from \$8 to \$15 per front foot. The difference depends on location and expected income from the booth. This means that Big Hearted Bennie Weiss and Bucky Harris, a pair of bingo game operators, pay the most rent, \$14,000 between them, for a relatively small space. Reithoffer Shows, which covers a third of the fair grounds with \$1.5 million worth of rides and sidishows, paid only \$20,000. There's just not as much action at the rock-o-plane as at the bingo table.

Rolling the Marbles

Allentown and Lehigh County police keep a reasonably keen eye on the fair to guard the money and morals of visitors. "The police keep a close watch on the games," says a fair spokesman. "If someone drops too much money, the operators must return it."

This is not an idle assertion and it no doubt does keep gambling game operators from becoming too greedy. One night last week two young boys dropped \$111 on a game that involves rolling marbles into holes marked with various numbers. The goal is a score of 91, and while it is very easy to get 9, the final half proves vastly elusive. At any rate, the boys got their money back, at the insistence of local authorities.

Police also are charged with keeping watch on the girls' shows, which attract more crowds than almost anything else on the midway. The shows are essentially strip tease acts and leave very little to the imagination, although a long-time Allentown resident insists that at the Kutztown fair, over in Berks county, "the shows are really something." Officers have a handy rule of thumb for policing the shows. "We don't act," says one police official, "unless we get complaints that the shows are indecent; we act on complaints only."

What with ticket buying, sidishow admissions, games of chance and hot dog buying, fair officials estimate that \$2.5 million changes hands on the 48-acre grounds during the seven days the fair is open.

Have a Holupki

The midway is hardly all there is to the Allentown fair, of course. For one thing, there's food. Lehigh Valley folk take their eating seriously, and by and large have few qualms about letting out the belt another notch. There are almost 100 food stands on the fair grounds offering a bewildering variety of vittles. The St. Michael's Greek Catholic church booth, just a few steps from the Palace of Baghdad sidishow, featured holupki (ground beef and rice wrapped in cabbage leaves) and pikohi (sharp, cheese and mashed potatoes encased in dough).

Solid fare appeals to Allentowners; one food booth operator estimated that during the fair week he'd sell 20,000 baked potatoes, presumably not the ones picked up in the spud race. The potatoes aren't a side dish. They're sold individually, with a pat of butter; fair visitors stroll about the grounds eating them, dripping butter down the chin.

Drinking is another matter. If you want a beer you've got to enter a wire fence enclosure under a clump of trees at one corner of the fair grounds—and stay there until you've finished. Unlike most fairs, Allentown permits hard liquor, but it, too, is confined by the Cyclone fence.

New this year was the Farmerama, a venture described as an effort "to give the fair back to the farmers." Actually, the Farmerama is a collection of rural-style events that have been held at the fair, in one form or another, for many years. It includes the likes of potato picking, crowning of the Turkey Queen, who, by the book, must be the daughter of a turkey raiser, and investing of the Potato King, who gets his crown by winning the most potato-growing prizes.

The Royal Family

There's some indication that potato royalty is becoming hereditary. This year's king, Nevin Reitz, raises katahdin spuds on 48 acres near Schneeksville and has held the throne 11 years running. His father was potato king for the 10 previous years. In addition to a gold foil crown the Potato King gets a public kiss from the Turkey Queen, this year a curvaceous blonde.

In the mornings, when the Farmerama takes over the 7,200-seat grandstand, the Allentown fair is very much a community affair.

The master of ceremonies is Ernest Kistler, a handsome Pennsylvania Dutchman who's also Lehigh County sheriff. At odd moments he chats over the loudspeaker, sometimes in English, sometimes in "Dutch," with friends in the audience.

While farmers attend the morning grandstand show, judges in the exhibit buildings pick prize winners for livestock, poultry and produce. This is no small task. This year's exhibits included 5,067 chickens, pigeons, geese, turkeys and ducks, 275 cattle, 250 sheep and 150 swine. Livestock exhibits at Allentown are considered of good quality, but most of the larger farmers in the area send their stock to the more renowned fairs such as the Eastern States Exposition also held last week at Springfield, Mass.

Also up for public view—and prizes—are all sorts of fruits and vegetables, pies, canned goods, flowers and plants, grains, honey, eggs, antiques, lace and clothing. In addition there are group projects done as competitions among local Grange, 4-H and Future Farmers groups.

The Governor as Judge

At one baked goods exhibit, Pennsylvania's Governor George Leader, himself a former chicken farmer, turned impromptu cake judge. While touring the exhibits, the governor was asked to pick the tastiest of four chocolate cakes. He did, after sampling a wedge from each, but also proved himself a politician by insisting that his wife terms him a very poor judge of cake. "What I like," he explained, "is a cake that's heavy and soggy."

The Allentown fair admittedly is shifting some of its emphasis away from the farm. This year, for the first time, an industrial exhibit area was set up to show off such locally-made products as Mack trucks, Hilco prefabricated homes, pre-stressed concrete, and machinery. "Industry has to help agriculture," notes General Manager Leidig, "and if there is a better way than fair exhibits to get labor and management together I'd like to know about it." About \$100,000 was spent preparing the industrial exhibit area.

In truth, it is hard to be precise about the future of the Allentown fair. Its major objective, according to the formal charter, is "improvement and advancement of Agriculture, Horticulture and the Domestic and Mechanic Arts." Highlight of last Friday afternoon's grandstand program: A two-hour rock and roll jamboree.

Arabian Oil Output Fell in August

NEW YORK — Saudi Arabia crude oil production in August averaged 1,192,134 barrels daily, compared with 1,209,757 barrels in July and 1,095,943 barrels a day in August, 1956.

Holders Group Will Try To Stop Acquisition Of Firemen's Insurance

But Continental Insurance, Newark Firm Expect Little Difficulty From Dissenters

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA — A stockholders' movement is shaping up to attempt to head off the acquisition of Firemen's Insurance Co. of Newark, N. J., by Continental Insurance Co.

John E. Dearden, Philadelphia publisher of American Underwriter magazine, who is now under indictment along with the former president of Firemen's of Newark, said he was a member of the stockholders' committee opposing the proposed merger. Mr. Dearden was indicted with John R. Cooney, former Firemen's president for allegedly receiving false advertising payoffs from Mr. Cooney. Mr. Cooney, who was dismissed from the presidency of Firemen's, was accused of embezzlements totaling \$262,206 through false bookkeeping and destruction of company records.

Mr. Dearden said there is "no reason why Firemen's should merge. It's a very shameful move." The company is strong in its own right and should remain in Newark, Mr. Dearden said. Referring to the new committee, Mr. Dearden said, "There is no reason at all to connect it with the other incident."

The companies in the proposed consolidation said, however, they anticipated little difficulty from the stockholder group. William B. Rearden, Firemen's president, said that to his knowledge neither Mr. Dearden nor any member of his family owns stock in Firemen's Insurance, unless, of course, it is held for him by a brokerage firm in a "street name."

The agreement between Firemen's and Continental provides that only 80% of Firemen's stock need be transferred to Continental. Under the terms of the exchange proposal, Continental Insurance Co. will offer 17 shares for 20 Firemen's shares sometime next month.

Mr. Dearden said that the stockholders' committee, which is attempting to obtain a list of Firemen's stockholders, has not yet selected a head. Headquarters of the committee are in the same Philadelphia building as Mr. Dearden's publishing concern.

Firemen's Insurance is the principal company of the Loyalty Group of insurance companies.

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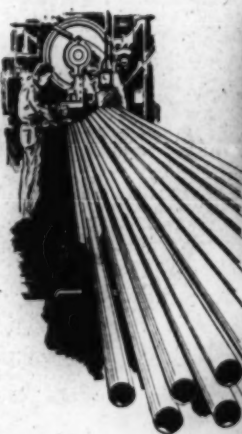
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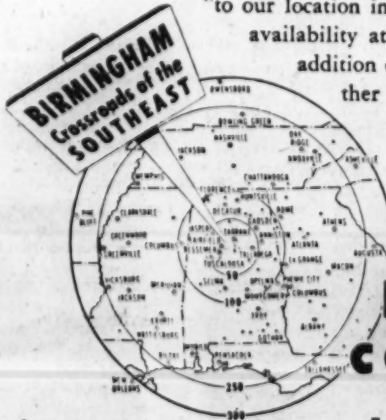
SOUTHEASTERN METALS COMPANY'S fourth major expansion in the brief span of seven years typifies the growth opportunities for diversified industries in the Birmingham District—geographic, industrial and transportation center of the South.

This Company established in Birmingham in 1950 the South's first plant making electric welded mechanical steel tubing from steel produced by local mills. Initially it employed only 30 people. Today it is the nation's largest producer of fabricated tubular parts in a modernly equipped plant on a 22-acre site.

Recently Southeastern Metals began manufacture of its first fully finished product—a complete new line of modern functional steel and wood classroom furniture trade-named "SCHOLARCRAFT." The line includes smartly designed classroom chairs, chair desks and desks with tubular parts available in metallic bronze, metallic green and chrome finishes.

"Steady expansion of Southeastern Metals has been due," says President Robert T. Harris, "to our location in the geographic and transportation center of the South, and the availability at our doorstep of steel required in our production. We expect addition of our 'ScholarCraft' line of classroom furniture to stimulate further growth."

*Reg. U. S. Pat. Off.



The Birmingham Committee of 100 will welcome the opportunity to furnish you with confidential and reliable data on the growth opportunities in the central Birmingham District for your plant, warehouse, sales office or service facility. Your inquiries will receive prompt attention.

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Talk of Price Boosts On Plywood Mounts As Orders Expand

Some Small Operators in Northwest
Post Higher Tags, Big Mills Are
Slow to Follow

By a WALL STREET JOURNAL Staff Reporter
PORTLAND, Ore.—Talk of a plywood price hike gets stronger at Northwest mills, as new orders for the week ended September 14 totaled 134,409,000 square feet—a new high for any single week in the history of the industry.

A few smaller mills already have raised prices on the key quarter-inch-thick sanded panels to \$72 a thousand square feet from \$68. These sanded panels account for nearly two-thirds of all production. Almost all mills are quoting prices "at the time of shipment, not to exceed \$72, after October 1."

But the largest producers are still holding back on a price jump.

"Jobbers have let their inventories dip so low that stocks are fast being depleted," said one big Northwest producer. "Now, the jobber apparently is convinced that the price isn't going to go any lower and they're stocking up. If this is real market strength, it will last for a while. I rather think we'll wait and see."

Production volume, always a crucial factor in determining price level, worries some.

"The big question now is whether or not the industry can keep production in line with new orders," declared one big mill operator in Oregon. "If the mill people don't get excited and try to make a fast buck on this recent surge in orders by whooping up production, a higher price might well hold its own. But I've seen too much of a poor market to rush right out and scream higher prices."

Nevertheless, the giants in the industry are seriously weighing a price boost in the very near future. The current ordering spree prompted one big plywood maker to muse: "We're nerving up to it. It's certainly being talked up within our own organization."

For the week ended September 14, orders jumped 20% higher than production, and were 28.1% higher than the previous week, according to Douglas Fir Plywood Association.

Production rose 19.1% from the previous week, but was less than 1% greater than the 1954 week last year. Compared to a year ago, orders showed an increase of 35.5%.

Statistics compare (square feet, 000 omitted) as follows:

Week ended:	Sept. 14 '57	Sept. 7 '57	Sept. 15 '56
Orders	134,409	106,555	99,123
Production	111,794	91,799	110,829
Unfilled orders	22,615	14,756	12,294
Year to date:	1,957	1,856	1,779
Orders	3,851,894	3,413,571	3,111,819
Production	3,797,417	3,641,420	3,641,420

Western Pine Lumber Orders Fell in September 14 Week

PORTLAND, Ore.—Orders for western pine lumber and associated species fell 5.1% below production for the week ending September 14, according to Western Pine Association figures based on information from 114 identical mills.

Orders rose 8.6% above the previous week, which was the short Labor Day week, and were about 1.8% above the like week last year. Production rose 20.8% from the previous week, but was 17.8% below the corresponding week a year ago.

Statistics compare (board feet, 000 omitted):

Week ended:	Sept. 14 '57	Sept. 7 '57	Sept. 15 '56
Orders	71,804	66,059	70,486
Production	75,512	62,483	91,813
Shipments	75,280	63,437	76,033
Year to date:	1,957	1,856	1,779
Orders	2,679,179	2,534,728	2,344,369
Production	2,589,687	2,942,369	2,883,322
Shipments	2,689,826	2,883,322	2,883,322

Douglas Fir Orders Fell 3.7% Below Output Last Week

PORTLAND, Ore.—Douglas fir lumber orders fell 3.7% below production for the week ending September 14, according to West Coast Lumbermen's Association figures based on information from 149 identical mills.

Orders rose 27.2% from the previous week, which was the short Labor Day week, and were about 8.1% higher than the like week last year. Production jumped nearly 26% from the previous week, but was 7.2% below the level of the corresponding week a year ago.

Douglas fir lumber statistics compare (board feet, 000 omitted):

Week ended:	Sept. 14 '57	Sept. 7 '57	Sept. 15 '56
Production	3,774,283	3,893,726	3,111,819
Orders	181,657	79,354	82,338
Shipments	194,835	87,747	113,183
Unfilled orders	97,179	85,954	97,346
Year to date:	1,957	1,856	1,779
Orders	3,747,819	3,837,334	3,437,334
Production	3,774,283	3,893,726	3,111,819
Shipments	3,787,799	3,901,933	3,111,819

Southern Pine Orders, Output Topped 1956 in Latest Week

NEW ORLEANS—New orders of 94 leading Southern pine lumber mills in the week ended September 14 spurred nearly 18% ahead of the preceding Labor Day holiday week, and were 8% above a year earlier, the Southern Pine Association reported in its weekly sampling of representative mills.

Shipments also rose, topping the week before by 6% and the comparable year-earlier week by 9%. Production in the week was up 13%, and led the similar 1956 week by less than 1%. Though total orders for the year to date continued at about 4% above a year ago, production in the period, put at 856 million board feet, trailed 3% behind a year ago, the association added.

Details in thousands of board feet:

Week ended:	Sept. 14 '57	Sept. 7 '57	Sept. 15 '56
Orders	26,623	17,523	18,131
Shipments	26,097	18,003	18,633
Unfilled orders	40,849	40,314	38,113
Production	26,328	17,584	26,214
Stats on hand end of wk	272,530	272,799	225,508

AEC, Nebraska Group Agree on \$29 Million Nuclear Power Project

Consumers Public Power District
Plant Expected to Be in Full
Operation Late in 1961

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The Atomic Energy Commission agreed to team up with Consumers Public Power District of Columbus, Neb., on the construction and operation of a large-scale atomic power plant at Hallam, Neb.

Scheduled to be running full tilt by late 1961, the plant will be powered by a \$29 million sodium-cooled, graphite-moderated reactor designed to produce 78,000 kilowatts of electricity.

The public power group will supply the site for the plant and an \$11 million 100,000-kilowatt turbine generator, will contribute \$5,220,000 to

the construction of the nuclear portion of the facility and will run the entire plant for five years, the A.E.C. said. Consumers will also lay out \$10 million for a steam boiler, substation and other facilities at Hallam.

The commission, besides financing the bulk of the construction costs of the nuclear part of the plant, will put up about \$18 million for pre-construction and development costs. This research work will be done primarily by North American Aviation, Inc., under an existing contract with the A.E.C. This agency also consented to bear \$8 million in post-construction costs covering fuel and "extraordinary" maintenance.

Work on the first phase of the Nebraska project, including the conventional turbo generator facilities, will probably start early next year, the commission reported. This equipment, powered by conventional boiler facilities, is expected to be in operation by April, 1960. It's anticipated construction of the reactor will begin during mid-1960 with testing slated for mid-1961 and full operation for late 1961.

The five-year contract between the A.E.C. and Consumers is the third under the commission's power demonstration-reactor program aimed at bringing private industry into the development of nuclear power reactors. The first contract was signed in June, 1956,

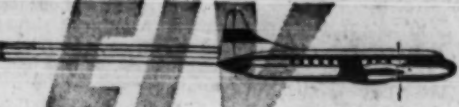
with Yankee Atomic Electric Co. for the construction of a 134,000 kilowatt pressurized water reactor at Rowe, Mass. The second was concluded last March with Power Reactor Development Co. for a 100,000 kilowatt fast-breeder reactor now being built near Monroe, Mich.

The commission announced at the same time that the nation's largest and most ad-

THE WALL STREET JOURNAL
Monday, September 23, 1957

9

vanced nuclear test facility has been placed in operation at the National Reactor Testing Station in southern Idaho. This \$14 million reactor, along with related experimental equipment, will be operated for the A.E.C. by the Atomic Energy division of Phillips Petroleum Co.



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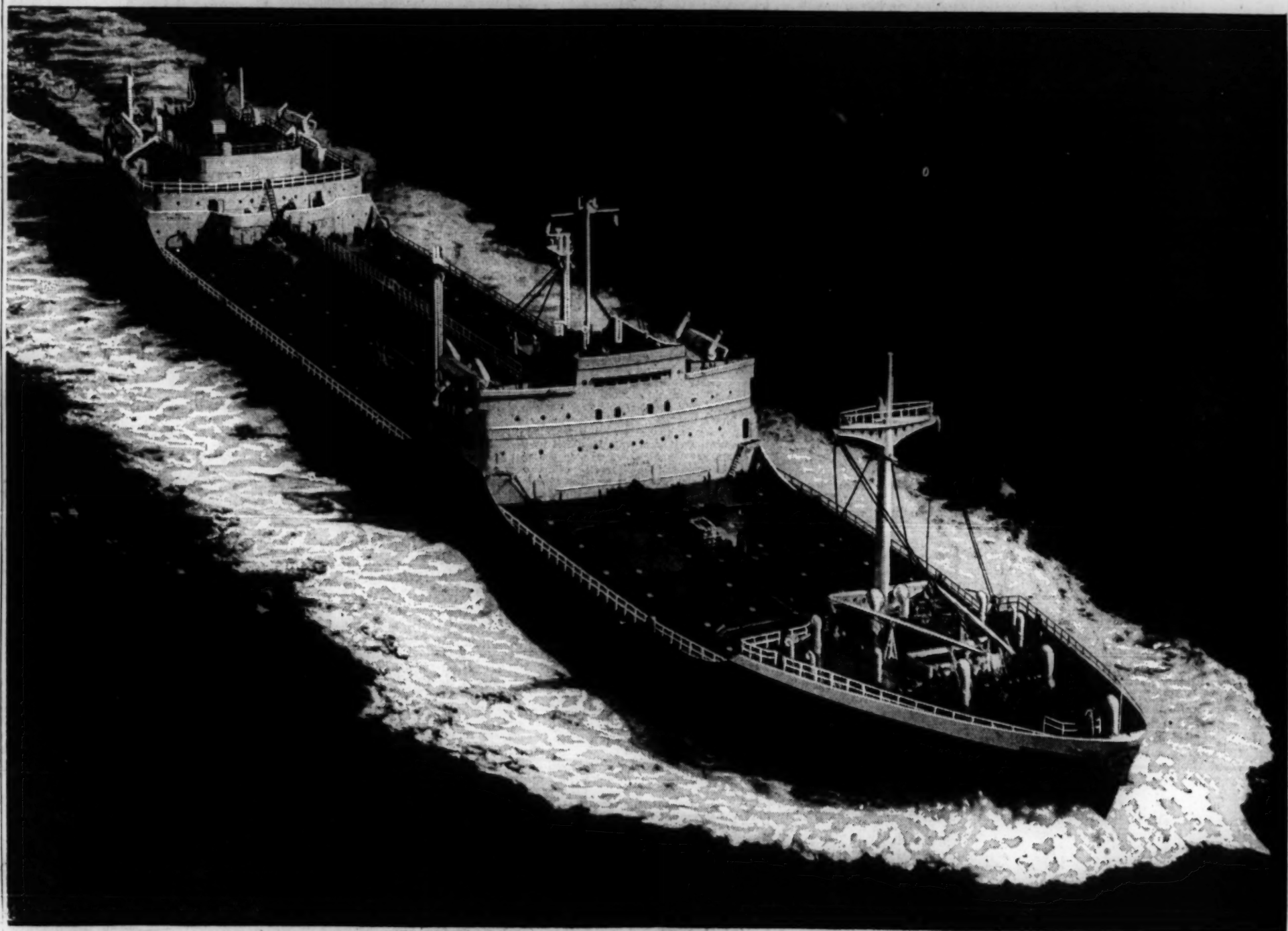
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REVIEW and OUTLOOK

Unfettered Financing

As a part of its current financing the Treasury experimented by offering a 12-year 4 percent bond to investors.

Shortly after noon today, when the books are closed, the Treasury expects to find that part of the financing heavily over-subscribed. All last week the Federal Reserve banks were flooded with bids—so much so that large investors, who eagerly padded their bids, will probably get only about ten percent of the bonds they ask for.

The rest of the financing also appears headed for a comparable success. Investors have flocked to buy the two shorter-term securities included in the package, \$1.7 billion of five-year notes and \$750 million of one-year certificates. On these securities too the Treasury will have to set up quotas to parcel out the available securities to eager buyers.

All this is very pleasing to Secretary Anderson. But it must come as a surprise to a lot of people. Certainly the success of this offering upsets a number of notions that have been prevalent in Washington.

One of these notions was that the Treasury at this time couldn't shift more of its debt from short-term to long-term obligations. The desirability of such a shift was agreed upon by everyone. But the supposed obstacle was the shortage of money, about which we have all been hearing for some time.

Earlier this year Mr. Humphrey, then the Treasury Secretary, said disparagingly that the Treasury couldn't market a long term bond at any price; the money just wasn't there. The fact that even now the Treasury offers only

\$500 million of long term bonds, and that timidly, is a reflection of that feeling.

Well, it turned out that there was an ample supply of investment money just waiting to buy long term Government bonds. It was just waiting for the right price.

"Paying the price" is another thing that has had Washington worried. The notion that terrible things would happen if the Government met the market price for money was expressed in its extreme form by President Truman and Secretary Snyder. If the Government paid higher interest on new issues than the market value of old issues would decline "below par," a thing they viewed with nothing but horror.

Of course, after the Treasury-Federal Reserve accord of 1931 which ended the artificial prop under the bond market, Treasury issues did drop below par and nothing untoward happened at all. Nonetheless the idea persisted right into the Eisenhower Administration that "meeting the market" held all sorts of terrors.

So now the Treasury is paying four percent. No one supposes that this is a happier situation than paying a lesser price. But not only is there no disaster; the success from "meeting the market" points to a sensible and practical way out of the Treasury's financing difficulties.

One may regret that the Treasury didn't try meeting the market for long term bonds long ago when the market would have supplied the money cheaper. But at least after the success of today the Treasury ought to approach its financing labors unfettered by foolish notions.

There Isn't Any Alternative

Mr. George Romney, president of American Motors, poses this question to the nation's auto-makers:

"Does any individual company in the automobile industry have the power to bargain effectively against the total strength of the U.A.W. backed by the A.F.L.-C.I.O.?"

Mr. Romney then answers his own question in a manner entirely distasteful to him. Since no individual auto maker can stand up to the colossus of the union amalgam, the only thing for all the auto makers to do is to bargain on an industry-wide basis.

The unions do not like this proposal, naturally. It has turned out to be the better course for them to knock off one company after another in the bargaining process. They know that it takes a great deal of courage for one company to stand firm, while struck, and watch their sales go merrily on to others.

Neither do the other companies

seem to like the proposal. What General Motors may be willing to agree to in union contract terms may not be at all agreeable to smaller auto makers. Further, industry-wide bargaining hits the public in the head—for if all auto makers are represented by one group just as auto workers are represented by one group, it's pretty obvious who will be in the middle when the bills come due.

Mr. Romney's suggestion has more the sound of an act of desperate warning than anything else; in fact, he admits as much. "The alternatives are further wage-price inflation or a change in our national labor and economic policies."

Just there is the nub of the matter. But it also just happens that there is no sound alternative to a continuing wage-price spiral as long as Congress—and the customers—allow unions to remain the vast monopoly they are.

The Pressures on Hoffa

James R. Hoffa is the leading candidate for the presidency of the brawny International Brotherhood of Teamsters who will meet a week from today to name a successor to Dave Beck who declined to run again.

The reason Mr. Beck decided to retire from the top Teamster job is pretty obvious; his record was laid bare by both the McClellan committee and the Ethical Practices Committee of the A.F.L.-C.I.O. Retirement into the shadows suits his purposes better now. Further, he did not hold the power that Hoffa seemed to hold over the voting delegates.

Because Hoffa is the leading candidate, and because he is no better in the view of the McClellan committee and of the A.F.L.-C.I.O. Ethical Practices Committee than Beck would be again, powerful guns have been trained on Hoffa.

He is the leader, says a caustic report by the Ethical Practices Committee, of Beck's Bad Boys. The ethics committee served notice on the nation's most powerful union that if it did not get rid of that kind of leadership, the Teamsters deserve no place in labor's high councils.

This blast—which included charges that Hoffa worked in the interests of hoodlums—was followed immediately by Senator McClellan's charge that Hoffa had "committed flagrant, willful and contemptible perjury" in his appearance before the Senate committee a few weeks back. Beck took the Fifth Amendment before the Senators; Hoffa, the Senator says, simply lied brazenly.

Senator McClellan said he hoped that the Justice Department would move against Hoffa, and the implication plainly is there that the sooner the Justice Department moves the better.

What the Senator and the top leaders of the A.F.L.-C.I.O. just as plainly desire is that the Teamster delegates reject Hoffa and choose another man

who will give the Teamsters the "clean union" the Ethical Practices Committee says they "want and are entitled to."

They are certainly entitled to such leadership; the big question is whether they want it. An even bigger question is whether the timing of the charges against Hoffa will better serve the interests of the Teamsters' union or the interests of James R. Hoffa.

It would certainly be to the interests of the Teamsters if Hoffa were forever removed from power. But we remember the trial of Hoffa earlier this year on charges of trying to plant a spy on the Senate committee. We remember that Hoffa cried persecution and aroused a great deal of sympathy. And we remember that when Hoffa was acquitted by a jury his power in the Teamsters' rose to its highest.

It is that power which has kept and which keeps Hoffa the leading candidate for the presidency of the Teamsters. It is true that his subsequent appearance before the Senators opened some Teamster eyes to Hoffa's goings-on with union finances and with such public enemies as Dio. There is, from all reports, an ebbing of Hoffa's strength and indications of an undertow that may change the tide of sentiment that still runs for him.

So it seems to us that if the record against Hoffa is not yet all in, it ought to be in pretty quickly so the members and the delegates can look it over without daily additions that might add only confusion. The Teamsters are no fools; but they are as susceptible to emotion as other men.

And it will only serve the cause of James R. Hoffa if he can convince the Teamsters that he is really only a martyr to continued outside persecution. For if they become convinced of that, the tide will run stronger than ever in his favor.

Ford, UAW Reach Accord On Ohio Jobless Pay Plan

DETROIT—The A.F.L.-C.I.O.-United Auto Workers announced an agreement with Ford Motor Co. to set aside payments for workers under the supplementary unemployment benefit plan in Ford's Ohio plants during model changeover shutdowns.

Under the supplementary benefit plan, the company pays up to 65% of a worker's take home pay in addition to compensation paid to the worker by the state.

The agreement was necessary, the U.A.W. said, because the administrator of the Ohio

Bureau of Unemployment Compensation ruled as illegal two supplementary unemployment benefit plans proposed by the U. A. W. and Ford. The administrator also ruled that supplementary payments made to Ford workers by the company would be deducted from state unemployment compensation payments. Both rulings, the U.A.W. said, have been appealed in Ohio courts.

The new agreement provides that the trustee of the supplementary benefit program will set aside in a trust fund the amount due each worker. Accrued benefits then would be paid retroactively if the court reverses the bureau's decision or if a new payment plan is devised.

Letters To the Editor

Amplified Position

Editor, The Wall Street Journal:

William H. Grimes, in his column "Thinking Things Over" (Sept. 9), commented on a speech I made at the Central Methodist Church in Detroit on the Sunday before Labor Day. He based his comment on a report of the speech by the Associated Press. The AP quoted me correctly but too briefly. In my speech I said that the evil tradition followed by some labor leaders had been manifest in government, notably municipal government, and in our economic life. Briefly I gave illustrations.

With Mr. Grimes' comment in general I should agree. But one of his sentences leads me to ask space to amplify my position. Mr. Grimes wrote: "If Mr. Thomas meant to imply that in some way the capitalist system made men transgress more than other systems, then he was talking nonsense and no one knows it better than Mr. Thomas."

Of course, I didn't accuse the capitalist system of being responsible for all men's sins, nor did I in this speech or any speech ever suggest that any political-economic order would get rid of sin in general or specific offenses against proper social standards. On the other hand, a social order based on slavery had peculiar sins to account for, and a peculiar responsibility for certain kinds of cruelty. So did the capitalist system and there is a rough correspondence between the kind of things that were done by the "robber barons" of capitalism in the 19th and early 20th centuries and the things done now by Beck, Hoffa, et al. who are about equally anxious for personal profit and personal power. They accept the old code which has in it a great deal of the law of the jungle. This was certainly true of capitalism in the period of which I speak. It was a system based on the spirit of caveat emptor; and even under our reformed capitalism, I doubt if the very bright lights of Madison Avenue would make that area a notably successful ground for Diogenes in his search for complete honesty in human action and communication. It is certainly true that controls on business practices became necessary and that the pressures which obtained then came mostly from outside the system and the most successful operators used it.

By the same token, unfortunately, it has been mostly pressure which has brought the honest majority of labor organizations squarely to face the crimes of the minority. I think legislation may be necessary for more vigorous control of union welfare and other funds and for the protection of the rights of individual members in unions. I do not think it is a virtue for a worker to be a man without a union, any more than I think it is a virtue for him as a citizen to be a man without a country. It is the union in our modern scheme of things which protects his interest. I believe the union is open; that is not closed by excessive initiation fees and other discriminations against workers in the trade. And further provided that there is in action a kind of bill of rights for individual members of the union to protect them against the unfair disciplinary processes which are often enforced against critics of the clique in control—sometimes with the aid of gangsters. I like the A.F.L.-C.I.O. code and respect Meany's zeal for enforcing it as well as he can. I am opposed to so-called right-to-work laws but I might favor legislative action along the lines I have indicated to reinforce the action that I hope the unions themselves will take.

NORMAN THOMAS

New York City

"Making Law"

Editor, The Wall Street Journal:

Your editorial "The Tangled Skein" (Sept. 11) is about the best that I have seen on segregation. There is, however, one questionable paragraph:

"But neither is it as simple as it sounds to assert that the Supreme Court cannot 'make law.' For the interpretation of any written Constitution must result in 'making law'; and if the Highest Court is not to do the interpreting, who is?"

If the interpretation of any written Constitution must result in "making law," what is the use of having a written Constitution? The interpretation of a document differs from changing the meaning of the words in it. The Highest Court is authorized to interpret the Constitution in a strictly limited manner—so far as necessary to apply it to a particular case before the Court; but the Highest Court is forbidden to change the meanings of the words in the Constitution. To make these changes is not making law, but usurping power.

Amendment VII was adopted to prevent the Congress and the Federal judges from making what would have been an action at Common Law in 1787 into a suit in Equity, in which juries were not used, and thus depriving citizens of the right to trial by jury. The fact that the original Constitution did not contain a provision for trial by jury in civil actions was also given much significance by those who demanded the adoption of the Bill of Rights as a condition for ratifying the Constitution.

So far as law is involved, the first question in the segregation cases was whether any Federal court has power to issue a mandatory injunction. One who will search both the English and American precedents will find that in 1787 there was no such thing as a mandatory injunction. It is purely an engine of tyranny, invented by usurping judges.

In thinking about the decision in the segregation cases, the citizen will do well to consider a remark made by John Randolph of Roanoke to a Virginia Constitutional Convention in 1832:

"Never can I forget, sir, that in the Great and Good Book, to which I am accustomed to look for all Truth and for all Wisdom, the Book of Judges is succeeded by the Book of Kings."

The sad part of the affair is that the people in the Southern states did not recognize long ago that the moral law forbids taxing people to support any institution which cannot be used by all the people, but the Supreme Court has no power to enforce the moral law.

EDWARD JEROME

Ashville, N. C.

Swiss Worries

Even Europe's Most Stable Nation Now Begins to Feel Inflationary Twinges From a Long-Lasting Boom

BY WILLIAM HENRY CHAMBERLIN

ZURICH—On the surface Switzerland seems to have no more serious problem than occasional rain on its beautiful Alpine scenery. But the calm is at least somewhat deceptive.

For one thing, the continuing boom is proving a little hard for even the sturdy Swiss economic system to digest. And beneath their stolid appearance, the Swiss are increasingly concerned about at least one external threat—Communist imperialism.

True, political and economic crises are still unknown here. Although Switzerland is a country of complete political and personal freedom, the changes in relative party strength in national elections have been slight and the nature of the constitution eliminates the possibility of the precarious coalitions which come into existence in some other countries.

Only some 2,000 or 4,000 people are registered as unemployed in Switzerland—an almost irreducible minimum. So great is the labor shortage that about 400,000 foreign workers, mostly Italians, Germans and Austrians, have been given employment permits. Foreigners now constitute one-fourth of the Swiss labor force.

Reserves of gold and foreign currency are about 7.8 billion Swiss francs (almost \$2 billion), while the amount of currency in circulation is about 5.5 billion francs. Thus circulating currency is abundantly covered.

Phenomenal Prosperity

Yet during recent years significant changes have occurred and new problems have appeared. Most of these problems are outgrowths of the phenomenal prosperity for which Switzerland has long been noted. Three years ago Switzerland had a lopsidedly favorable balance of international payments, estimated at 1.3 billion Swiss francs, and bankers and businessmen in Zurich and other Swiss business and financial centers complained that it was extremely difficult to find profitable investment outlets.

Now money is distinctly tight in Switzerland; no international loans have been floated on the Swiss market since 1934. The favorable balance of international payments in 1934 declined to 125 million francs and may be unfavorable in the current year. During the first seven months of this year imports were about 4 billion francs, against exports of 3 billion francs.

It is normal, to be sure, for Switzerland to offset an unfavorable balance of direct trade by a favorable balance on such invisible items as earnings from foreign tourists, from banking and insurance and investments abroad. The Swiss are keen investors in foreign securities; the latest quotations on the New York Stock Exchange and on leading European exchanges are a familiar sight on Zurich's main thoroughfare.

But such a big deficit in direct commercial transactions is unusual. Two things account for it. The war clouds which seemed to hover at the time of the Suez crisis and the many other unsolved international disputes led to an abnormally large build-up of inventories by industrial concerns. And the boom, with the accompanying high earnings of the population, led to a considerable increase in imports of consumer goods.

Interest rates, a few years ago among the lowest in the world, have been rising. Last May the Swiss National Bank, disturbed by symptoms of incipient inflation, raised its discount rate from 1½% to 2½% and its rate for loans against securities from 2½% to 3½%. Last year the cost of living in Switzerland rose by more than 2%, an alarm signal

in a country which has been more successful than any other in keeping the value of its money constant.

The Swiss boom is reflected in a great deal of new commercial, industrial and private building in the towns and a big expansion of power development in the mountain areas where the swift streams represent valuable sources of electricity. Every year investment in new electrical power development has taken about one-third of public investment, or between 400 million and 500 million francs. Rates of interest on these electrical power loans have gone up from about 3½% to over 4%. Investment has been outrunning the 18% of the national income which is saved every year.

Some of this power investment, notably the Grande Dixence project in Canton Valais, cannot yield any return until a long series of dams and power plants is completed. Against the charge of over-investment in power development is the consideration that the power needs of Swiss industries and railways (all railways are electrified) have grown so much that new sources must be tapped.

Union Restraint

In almost any other country the situation of full, almost over-full employment would have led to strikes and much stronger symptoms of inflation than Switzerland has experienced. A Zurich financial editor shook his head over what he called weakening of labor and trade-union discipline. But inquiry brought out the fact that there had been no strikes.

The editor finally conceded that wages would have probably risen more if there had been no trade-union organizations to exercise a moderating influence on wage rates, because their leaders have a keen sense of the danger of inflation. It is not difficult to think of countries which would be glad to import, along with such quality Swiss products as watches, precision machinery and chocolate, some of the Swiss trade-union moderation and sense of responsibility.

Next to their economic uneasiness, the Swiss perhaps worry most about the threat to their nation posed by Communist imperialism. It is doubtful whether anywhere else there was a stronger reaction to the Soviet repression of the Hungarian fight for freedom. Switzerland accepted some 15,000 Hungarian refugees, a huge number in proportion to its population of between four million and five million.

When one of the few Swiss Communists, a Dr. Farners, defended the Soviet crushing of the Hungarian revolt there was an outburst of indignation in the little town where he lived and a movement to boycott him gained rapid momentum. A Swiss student organization was formed with the title "Never Forget," aimed at keeping alive the memory of the Hungarian struggle.

"Don't Come Back"

This group sent a crisp telegram to the Swiss participants in the Moscow Youth Festival, expressing the hope that they would stay in Moscow and not return to Switzerland. Leading Swiss newspapers gave maximum publicity to the new United Nations debate on Hungary.

Switzerland's troubles are minor compared to those of some of its neighbors. There are few European countries on whose continuing political stability and economic prosperity one could more safely bet. Still, it is significant that even Switzerland feels the necessity to damp down its boom as inflation threatens.

roe had been grossly negligent in maintaining his business records and had prepared and filed improper reports.

The suspension was announced to the exchange from the trading floor rostrum by Mr. Kellogg at Friday's session, and was carried on the exchange's nationwide ticker tape.

Mr. Munroe is an independent floor broker who executed orders for various member firms. He has been an exchange member since 1947. He is not a partner of any member firm, the exchange said. It was understood the public was in no way involved in the charges against Mr. Munroe.

Mr. Munroe cleared his stock transactions through Bache & Co., a member firm. A Bache & Co. spokesman said Mr. Munroe was not related in any other way to the firm. Last Stock Exchange member to be suspended was John C. Hecht, in September, 1934, who was suspended for a six-month period.

In 1936, George Stein, an individual member, was expelled. It was the first expulsion in 12 years.

Big Board Member Suspended Five Years On Negligence Charge

NEW YORK—The New York Stock Exchange suspended a member, John Munroe, for five years for alleged gross negligence in his business records and filing of improper reports.

The exchange charged Mr. Munroe, an individual member and a floor broker, with violation of Section 6, Article 14 of the exchange's constitution, which allows the board of governors to suspend or expel a member for "conduct inconsistent with just and equitable principles of trade."

James C. Kellogg, III, chairman of the exchange, said "testimony before the board showed that over a period of years Mr. Mun-

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Superb is the word for outdoor grilling. The smell of steak is simply thrilling. But, oh, it cuts one to the core. To find it's coming from next door!

—Virginia Brasier.

Right Combination

Doris came home very excited about the new fellow she had just met at the dance. Upon questioning her, her parents learned that they had once known the boy's parents. "His father was very homely, but he made a lot of money in business," said the mother wistfully.

"His mother was very beautiful, but she married for money," said the father regretfully.

"The son is just perfect," enthused the daughter. "He's got his mother's looks and his father's money."

Dyed in the Wool

Add this one to those tall stories of Texas wealth. A man had a small farm down there with just a few sheep, and one day his wife while dyeing some bedspreads blue, had a little lamb fall into the bucket of dye. A passing motorist spying the lamb with the blue fleece stopped and offered \$50 for it. So the Texan figured he had stumbled onto a good thing and colored more of his lambs

with blue dye which brought a full account of her wedding.

"Pretty soon," he recalled, "I was coloring my lambs pink, blue, yellow, green, lavender and turquoise, and you know—now I'm the biggest lamb dyer in Texas."

Too Literal

"What is she so angry about," asked the puzzled bridesmaid. "The paper gave

large bill.

Daftyness

Pheniant under glass: A

small bird with a very

large bill.

And I say it landed foul right by that big 8 sign!"

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Reading for Pleasure

Lost in the Deep

One day in 1894 a New Yorker named Richard K. Fox fell to speculating on whether the Atlantic ocean could be crossed in an open rowboat. Mr. Fox evidently wasn't the rowing kind, but he certainly must have been persuasive; he talked a couple of New Jersey fishermen, George Firbo and Frank Samuelson, into trying the crossing in an 18-foot skiff.

The two oarsmen pulled away from the Battery in New York harbor on June 6, 1894. Fifty-four days and one capsizing later they rested their oars at the Scilly Islands on England's Cornwall coast. But the pair wasn't done rowing.

The steamship on which they were returning to America ran out of coal—and almost everything else on board that would burn—250 miles off of port. So the fishermen once more lowered their boat into the ocean and, after four days and nights at the oars, rowed back into New York harbor to get help for the steamer.

Of such stuff is made Leonard Outwaite's "The Atlantic." It is at once the book's fascination and its downright irritation. For Mr. Outwaite fills 479 pages, but grants only four short, lackluster paragraphs to the fishermen's adventure. There must be more of this story worth telling. Who was Richard Fox, anyway? Did Firbo and Samuelson simply go back to mundane fishing off Jersey? Above all, what sort of men were these, the speculator and the two rowers?

It's much the same with Mrs. Joshua Patten, who took over command of the clipper ship Neptune's Car when the captain, her husband, was stricken with a brain fever that left him helpless in his bunk. The girl, a 19-year-old bride at the time, nursed her husband, kept a rebellious mate in frown and drove her ship around the Horn to San Francisco in the face of some of the worst storms ever to beset sailing ships.

But all Mr. Outwaite gives us are the briefest, barest facts; it seems a rather shoddy way to treat Mrs. Patten.

The main trouble is that Mr. Outwaite has crowded on too much sail. His avowed purpose is a book that "covers the main facts about (the Atlantic ocean and) its place in the world of nature and man." And as if that weren't enough, he's drawn the Atlantic to include the Arctic, Antarctic and Mediterranean, then set out to prove his ocean is the best and most important of all the world's waters. The result is a diffuse account of too many places and too many events.

The best parts of "The Atlantic" are the chapters on exploration and ancient and medieval sailing and warfare. The Norsemen, the first sailors to venture on long voyages across the open ocean, naturally are key figures. Mr. Outwaite credits them, rightly enough, with almost regular trips to the North American continent centuries before Columbus was born.

But he makes one generalization about the Norse that is highly debatable. He contends their colonies in North America failed, while the Spanish succeeded some centuries later, simply because effective portable guns had been perfected in the meantime.

This theory ignores a great deal: The fact that the Norse tried to colonize areas where agriculture was difficult; that even without gunpowder the Norse undoubtedly were better warriors than the Indians; and, perhaps most important of all, that the Spanish were motivated by gold and religion, two drives that weren't working on the Norse.

History of any sort has a habit of forcing its way into present-day headlines. Part of the story of the Atlantic ocean is Negro slavery, a sad chapter of Western history that started with the Portuguese. The Portuguese, who had extensive dealings in West Africa as early as the fifteenth century, never made a big business of slavery and, in truth, their government tried to outlaw it.

Slavery was profitable, however, if risky; it soon spread to the West Indies and later to the North American continent. The slave trade must be accounted a chief factor in developing Atlantic commerce, but the price was great, and still is being paid in such places as Little Rock, Ark.

Though Mr. Outwaite's prose is clear, it lacks style; he seldom brings alive events that are among the most vivid in all history. At the start of the book he dwells overly long on what he calls the "structure, meaning and behavior" of the Atlantic Ocean. The accounts of ocean currents would have baffled Prince Henry the Navigator.

In common with most men who write of the sea, the great days seem to have faded for Mr. Outwaite when the last clipper sailed up at some now-forgotten wharf. This is understandable, at least for now. Probably not until passenger and cargo rockets regularly span the Atlantic will the days of steam be recounted as romance. Golden ages always are in the past.

—JAMES N. WALLACE

The Atlantic, by Leonard Outwaite. New York: Coward-McCann. \$4.50.

THE WALL STREET JOURNAL

New Haven Road Will Ask Rise in Commuter And First Class Fares

Amount Is Not Set But Alpert Says It May Be 10% on New York Commuter Service

By a WALL STREET JOURNAL Staff Reporter
BOSTON—George Alpert, president of the New York, New Haven & Hartford Railroad Co., said the carrier expects to seek increases in commuter, coach and first class fares throughout its system. Mr. Alpert did not say when application would be made to Government and state agencies for the increases but he indicated it would be soon.

Until Mr. Alpert has conferred with company accountants and rate experts this morning, the amount of the increases to be sought will not be finally determined, he said.

"I think it is pretty well established that a 10% application for a rate increase will be sought on the New York end of the commuter service although I still have to meet with my people to make final arrangements," he stated.

The proposed fare increases are an initial step in the New Haven's program to reduce its \$15 million annual passenger deficit, according to Mr. Alpert. The company also has urged a reduction in taxes on its terminal properties and asked subsidies on passenger service.

Unless the road receives such relief, The Associated Press quoted Mr. Alpert as telling representatives of Fairfield County, Conn., commuter groups, the passenger deficit may rise to \$18 million next year.

The road received an 18½% to 25% increase in commutation fares in the New York area 13½ months ago.

After the meeting with the commuters' representatives, Thomas G. Early, of Greenwich, Conn., president of the Fairfield County Commuters Association, told the Associated Press:

"I am surprised to hear Mr. Alpert say that he is about to apply for another commuter fare increase. He has got to show that the commuter will get something for the extra money."

"Are we going to get trains that run on time, air conditioning that works, better paint on the stations and better lighting around the stations?"

American Export Lines Says July Net Hit \$964,000

NEW YORK—American Export Lines reported July earnings of \$964,000, or 81 cents a share, bringing earnings for the first seven months to \$4,150,000, or \$3.46 a share.

Although no comparative figures are available for the like period in 1956, a company spokesman called the July figures "pretty good." He also noted that "cargo prospects appear more favorable and passenger bookings continue at about the same level as last year."

American Export had reported first half earnings of \$2.65 a share compared with \$2.58 a share from operations in the first half of 1956.

This Week in Washington

WORLD BANK: The World Bank and International Monetary Fund hold their annual meeting today through Thursday. President Eisenhower will address the group this morning.

BENSON: The Agriculture Secretary will hold a news conference this afternoon.

COTTON: The Census Bureau reports today on cotton ginnings.

SMALL BUSINESS: The President's Conference on Technical and Distribution Research for the benefit of small business starts a three-day meeting today.

HOFFA: The Senate Special Investigating Committee resumes hearings tomorrow on Teamster Vice President James R. Hoffa.

FARM PRICES: The Agriculture Department will make public its parity price report Friday.

TEAMSTERS: A hearing will be held Friday in United States District Court here on an order directing the Teamsters Union to show cause why its election of new union officers should not be delayed.

Washington at Work

Bureaus

Nicare: The General Services Administration announced it will dispose of the Government-owned nickel plant at Nicaro, Cuba, through sale or lease, and will invite proposals from interested companies later.

Schering-White Merger Voted

NEW YORK—Stockholders of Schering Corp. and White Laboratories, Inc., voted in separate meetings to merge the two firms. Francis C. Brown, president of Schering, and J. C. DeCesare, president of White, jointly announced.

Hecla Mining

HECLA MINING CO. reports for eight months ended August 31:

	1957	1956
Earnings per share	8.58	8.02
Net income after taxes	978,873	818,111
Capital shares	1,000,000	1,000,000

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Rail Officials Discuss New Freight Rate Hike, Reach No Decision

By a WALL STREET JOURNAL Staff Reporter
CHICAGO—Officials of the nation's railroads broke up discussions here on the possibility of seeking another rail freight increase without making a final decision.

Thomas H. Maguire, chairman of the executive committee of the Western Traffic Association, said the rate question was now "under study" by the individual roads. The announcement was made after the association, basic rate-making body for the Western railroads, had held a joint meeting with representatives of Eastern and Southern carriers.

Mr. Maguire said the Western group had set no date for future talks on the rate question and he would give no indication of when such meetings might come up.

He declared, however, that a request by any two Western railroads for hearings on the matter of a rate hike would force him to call a conference of the association's executive committee.

Mr. Maguire again emphasized that the meeting was a regularly scheduled one as far as the Western and Eastern groups were concerned. The Southern Association, however, was invited in to attend the discussions, he declared.

The talks on a possible freight rate hike follow by only a few weeks a general increase authorized by the Interstate Commerce Commission. Late last month Eastern and Western rails put into effect a 7% increase and the Southern carriers were authorized one averaging 4%.

Many Southern roads, though, failed to apply the hike to some items, citing truck competition.

Earlier, Mr. Maguire had declared the I.C.C. had practically "invited" the railroads to seek another freight rate increase this year. The commission had suggested the roads study the possibility of working out increases on selected items rather than an across-the-board hike as often done.

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Business Milestones**J. P. Stevens to Issue
280,000 Shares to Get
Forstmann Companies**

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—J. P. Stevens & Co. disclosed it will issue 280,000 new shares of common stock to acquire Forstmann Woolen Co. and Julius Forstmann & Co., affiliated New Jersey concerns producing woolen and worsted apparel fabrics. The stock is being valued for the purpose of the transaction at \$23 a share, for a total price of \$6,440,000.

The disclosure was contained in information filed by Stevens with the New York Stock Exchange. Stevens had announced plans to acquire the Forstmann concerns in June, but had disclosed no details of the transaction.

The statement to the Stock Exchange also said that the Forstmann companies in the six months ended June 8, 1957, recorded sales of \$9,340,075, and a net loss of \$1,828,110. The loss would have been \$202,076 greater if the company had not switched its inventory accounting system for raw materials to a lower-of-cost-or-market basis rather than the previous last-in-first-out basis, Stevens said. These statements tallied with trade reports that the Forstmann concerns had been losing money heavily before the acquisition.

The Forstmann companies operate a wool-cloth weaving mill in Garfield, N. J., containing 1,198,400 square feet of floor space and 482 looms, and a dyeing and finishing plant in Passaic, N. J., with 467,515 square feet of floor space.

Stevens said it does not plan to consolidate Forstmann financial statements into its own accounts for the Stevens financial year ending November 2.

Stevens, one of the nation's biggest textile manufacturers, posted sales of \$372,618,489, and profits of \$8,249,797, for the fiscal year ended October 29, 1956.

**Diamond Match Slates
Vote on Acquisition
Of Gardner Board**

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Shareholders of Diamond Match Co. will hold a special meeting next October 29 to vote on a previously announced plan to acquire the assets and properties of Gardner Board & Carton Co., Middletown, Ohio, and change the name of the company to Diamond Gardner Co.

Directors of Diamond and Gardner approved the acquisition plan last March.

Terms call for Diamond to issue 745,550 shares of its common stock to Gardner holders, representing a market value of about \$23 million as of last August 30, according to the proxy statement mailed to Diamond shareholders over the weekend. On the basis of 20,150 shares of Gardner common outstanding, the acquisition will represent the issuance of 37 Diamond common shares for each share of Gardner common. Gardner is a privately-owned company, with controlling interest held

**TMT Trailer Ferry
Calls Special Meeting
Over Financial Troubles**

Directors Elect New President,
To Seek Increase in Authorized
Shares; Reverse Split Proposed

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—TMT Trailer Ferry, Inc., has called a special stockholders' meeting for September 30 in a move to pull the company out of financial difficulties.

Eric Rath, president of the small roll-on, roll-off shipping venture, notified stockholders of the meeting in a letter mailed Friday. He also disclosed that the TMT board of directors has voted to replace him as president with William P. Davis.

Mr. Davis, reached by phone yesterday at his home in Southern Pines, N. C., said he had left Associated Transport, Inc., a New York trucking firm, this past February, where he had been vice president in charge of operations and maintenance. At present he is a motor carrier transportation consultant, he said. Mr. Davis declined to discuss management's plans to strengthen the company.

Increase in Shares Sought
TMT officials will ask the stockholders to approve an increase in the number of authorized shares from 6 million to 8 million, Mr. Rath said in his letter to shareholders. The company also seeks to reduce the number of outstanding shares to one share for each five presently held, he added. TMT now has about 4 million shares outstanding among about 3,000 stockholders.

"Management has been considering several proposals to solve the company's financial difficulties," Mr. Rath explained. "Such proposals require that the company issue additional amounts of capital stock." He said the request to increase the number of authorized shares would "make such stock available without raising the amounts outstanding beyond manageable limits."

Neither Mr. Rath nor his attorney could be reached in Jacksonville or Miami, Fla., yesterday for elaboration on the proposals.

A spokesman for TMT in New York said yesterday the purpose of the reverse stock split is to bring the stock back to a "more realistic and manageable figure in order to bring in additional capital." If the action is approved by the shareholders, the management would then be in a position to deal with certain interested groups to have equity capital brought into the company, the spokesman said.

TMT presently is being sued for "involuntary reorganization" by three creditors in Federal court, Miami. The creditors, who claim TMT owes them a total of about \$100,000, are Rail Trailer Corp., Chicago; Trailmobile, Inc., Cincinnati; and Great Southern Trucking Co., Jacksonville, a subsidiary of Ryder Systems, Inc.

Hearing Set for October 4
A hearing on the court suit is scheduled for October 4 in Miami. Mr. Rath recently informed the creditors he would direct that

by the Gardner family. Gardner stockholders will meet on or about October 15 to vote on the plan.

Diamond Match has four million authorized common shares, of which 2,719,668 are issued and outstanding. The stock closed Friday on the New York Stock Exchange at 30 1/4.

**Gabriel Gives Terms of Plan
To Acquire Gladden Assets**

LOS ANGELES—Directors of Gladden Products Corp., Glendale, Calif., and Gabriel Co., Cleveland, announced final terms of an agreement for the Ohio concern to acquire certain assets of Gladden.

Approval by holders of two-thirds of Gladden's stock is required to put into effect the arrangement, which amounts to about \$4 a share for Gladden stockholders, according to the joint announcement. The West Coast firm's stockholders will meet September 27 to vote on the proposal.

Under the terms of the agreement, Gabriel would acquire all assets of Gladden, excepting two subsidiaries, and would assume all liabilities of Gladden. For each outstanding Gladden share, Gabriel would pay \$1 in cash plus debentures "equal in par value to \$2 a share." The securities would be 10-year, 6% subordinated debentures with an annual sinking fund requirement of not less than 10% of the original issue.

In addition to the cash payment and debentures, Gladden stockholders would receive one share of stock of the Lincoln Manufacturing Co.—a new company to be formed from the two subsidiaries not included in the proposed acquisition.

Gladden Products manufactures aircraft hydraulic valve controls and is a supplier of hydraulic and fire control systems and servomechanisms to aircraft and missile makers.

**L. A. Young Spring & Wire
Acquires Link Radio Assets**

DETROIT—L. A. Young Spring & Wire Corp. acquired assets and manufacturing rights of Link Radio Corp. of New York City.

N. D. Ely, president of L. A. Young, said the Link operations will be moved to Burbank, Calif., and merged with L. A. Young's Gonsel division, which produces communications equipment.

The acquisition gives Gonsel a complete line of AM and FM mobile radio equipment, he said. Link produces FM receivers and transmitters, while Gonsel manufactures communications equipment for amateur and military uses.

The acquisition is the seventh for L. A. Young in a diversification program that has been under way since 1954.

New Wamsutta Towel Plant

NEW YORK—Leon Lowenstein, chairman of M. Lowenstein & Sons, Inc., announced that the Wamsutta Mills subsidiary is moving its towel manufacturing division to Columbia, S. C., from Roxboro, S. C. A modern factory is being built in Columbia, where new machinery plus equipment moved from Roxboro will give Wamsutta substantially increased production of towels, he said.

TMT be placed under Chapter 10 of the Bankruptcy Act for reorganization if he could not raise sufficient money to pay its debts by that date.

In his letter, Mr. Rath said TMT's financial difficulties stemmed largely from a breakdown of the trailer-ship TMT Carib Queen in 1956. In addition, he said, "your company has experienced a series of vessel breakdowns and subsequent loss of revenue which have seriously affected its financial position."

"The company's financial condition has been impaired to the point where it has experienced difficulty in meeting current obligations as they matured," Mr. Rath said. Because TMT directors believed a reorganization would be unfavorable to the firm, he continued, they are "seeking to bring to the company new management and new equity capital, and thus avoid proceedings in the Bankruptcy Court."

Mr. Davis' acceptance of the TMT presidency, Mr. Rath noted, is conditional upon the approval of the requested capital changes. Mr. Rath also said he would remain with the company. The meeting was set for Dover, Delaware, where the firm is incorporated.

**Arkansas Louisiana Gas
Pays \$3,675,000 for
Serval Unit and Plant**

By a WALL STREET JOURNAL Staff Reporter
DALLAS—Arkansas Louisiana Gas Co. of Shreveport, La., said it has completed the purchase of Serval, Inc.'s air conditioning division for \$3,675,000. Included in the sale is Serval's Evansville, Ind., plant which includes some 500,000 square feet of floor space on 14 acres of land.

J. C. Hamilton, president of Arkansas Louisiana, said the new operation would be set up as a wholly owned subsidiary, known as the Arkla Air Conditioning Corp., to make and sell year-round air conditioning equipment bearing the trademark names of Arkla-Serval, Sun Valley and All-Year.

Serval headquarters of the company will be in Little Rock, which is the home office of W. R. Stephens, chairman of Arkansas Louisiana, who also will become chairman of the new subsidiary. Mr. Hamilton, who will be president of the new Arkla, said the subsidiary's sales force would be "greatly expanded," and that sales of the equipment are expected to provide new capital to expand production, sales and promotion on a nationwide basis.

Mr. Hamilton said full production will get under way at the Evansville plant, following a "short period of shutdown" made necessary by the change in management. Output will include the 3-5-ton Sun Valley year-round heating and cooling units, the new 5-ton Sun Valley unit and the 25-ton water chiller for commercial and industrial uses and for large homes.

Serval shareholders approved the sale of the air conditioning division at a special meeting September 11. Not included in the sale to Arkansas Louisiana is Serval's appliance division. At the special meeting, shareholders authorized Serval's board to sell the company's remaining business, property and assets, principally the home appliance division and general offices, "when an advantageous time can be arranged."

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The Wall Street Journal

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Union Carbide Unit Hikes Prices on Some Chrome, Silicon Alloys

Recent Cost Boosts Cited; Cut Disclosed in Price of Standard Ferromanganese

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Electro Metallurgical Co., a division of Union Carbide Corp., announced price hikes on some chromium and silicon alloys and a reduction in price for standard ferromanganese.

The increases reflect recent cost boosts for labor, freight and raw materials, the company said.

G. E. Drake, a vice president of the divi-

sion, said the standard ferromanganese was cut by one-half-cent a pound, making the new base price 12 1/2 cents a pound, f.o.b. Alloy, W. Va.; Ashland and Marietta, both in Ohio; Portland, Ore., and Sheffield, Ala. No reason was given for the cuts, effective last Thursday.

Price increases on some of the chromium and silicon alloys will become effective October 1. High-carbon ferrochrome is being boosted one cent a pound of contained chromium, making the new base price for the regular grade 23.75 cents a pound, in carload lots.

The price of 50% ferrochrome is being hiked 1.5 cents a pound of contained silicon, to a base price of 14.2 cents a pound. Ferrochrome-silicon will now be sold on the basis of the chromium plus the silicon contained in the alloy. The company also said that prices for regular low-carbon ferrochrome have been revised to cover two new carbon grades, and that some carbon grades have been eliminated.

Joseph Bancroft & Sons Reports Sharp Decline In Net for June 30 Year

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Profits of Joseph Bancroft & Sons Co., textile manufacturing and finishing concern, dropped sharply to \$71,173, or 42 cents a share, in the fiscal year ended June 30, from \$910,943, or \$1.03 a share, in fiscal 1956, the annual report disclosed.

Sales also declined, to \$24,169,587, from \$27,581,755 in the previous fiscal year.

W. Ralph MacIntyre, president, commented that "our earnings suffered from reduced dollar and unit sales, coupled with depressed selling prices and increased cost of materials and payroll." Conditions were particularly depressed in the finishing end of the business, he

said, and the company's cloth-printing plant at Eddystone, Pa., ran up "very heavy" losses. In addition, he said, Wm. Simpson Sons & Co., a converting subsidiary, had to sell "a substantial amount of inventory at lower than cost."

The outlook for the current fiscal year "appears somewhat brighter for unit volume although prices are still depressed," Mr. MacIntyre added.

The executive noted that Bancroft has paid

in PITTSBURGH, PA.
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no dividends since January 18. "Because of this period of unstable conditions in the textile industry," he told stockholders, "your board continues to follow a conservative dividend policy."

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44 years Detroit, Europe and Washington, D. C. Negotiations—proposal—product research and design.
Box F-104, The Wall Street Journal

BUSINESS CONNECTIONS

TO A PRECISION GEAR MANUFACTURER
If your policy is to actually deliver when you say you will, if your quality is competitive or better, if your prices are competitive too; if you promptly send me copies of all orders acknowledged, invoices, and customer correspondence; if you promptly answer all my customers' inquiries; then as a seasoned manufacturer's representative I will bring you the business that you justly deserve. Territory New England.
Box F-126, The Wall Street Journal

MACHINE TOOL DEALER
Our client is a prominent, long established sales and engineering organization with offices in Detroit and Flint, Michigan. An aggressive 7-man sales force can handle an additional tool room or production machine tool line with volume potential.

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Phone: Woodward 2-8710

FINANCIAL PUBLIC RELATIONS
Publicist and financial analyst, working as team interested in setting up downtown financial public relations arm for P.R. or advertising agency.
Box B-37
The Wall Street Journal

MR. MANUFACTURER!
What have you for stationary jobbers and department stores? Sales agency wants goods for West Coast.

THE STU McPHERSON CO.
330 La Vista Way, Woodside, Calif.

Retired official large finance and manufacturing companies, now financial consultant to sales finance, small loan and manufacturing companies. Prefer growing profitable business, need more capital. Fee basis only if I can be of service. Will consider taking same in stock. Eastern seaboard, Florida. Submit problems and objectives. Confidential.
Box F-154, The Wall Street Journal

MANUFACTURER'S REPRESENTATIVE WANTED
For New York, Massachusetts and Pennsylvania, by Midwest manufacturer specializing in the machining and fabrication of aluminum and magnesium.
Box F-148, The Wall Street Journal

MANUFACTURERS REPRESENTATIVES
With automotive accounts in Michigan, interested in obtaining reliable cold heading source. Box F-147, The Wall Street Journal, 44 Broad St., New York 4, N. Y.

Many years GIFT buying experience for large corporations in development of merchandise. With tact, dignity and keen business sense. Excellent wholesale source. Reply Box F-127, The Wall Street Journal

REPS. BUILDING
M.R. wants leads on any & all lines available. Direct sales to builders.
Box G-42, The Wall Street Journal

ENGINEER—Structural P.E. Why add permanent overhead for peak loads? Let me handle your design drafting work competently and reasonably. S. Garfield, 75 Pleasant St., Brooklyn 1, N. Y. Ulster 2-1065.

Newly created Manufacturers Representative Agency seeks lines for S. C. area. Owners previously wholesale distributors since 1935. Reply Box F-118, The Wall Street Journal

CAPITAL WANTED
Successful young oil-gas exploration and production company, headed by MIT and Harvard Business School graduate, invites inquiries regarding drilling program for last quarter of 1957 and for 1958.
Box 67-155, Wall Street Journal

CAPITAL WANTED. Connecticut manufacturer, presently capitalized at \$100,000, needs additional capital for an expanding business manufacturing a new product for the building industry. We prefer an investor with business experience who can participate in management. Address reply to
Box F-118, The Wall Street Journal

Small company has initial, proven machinery product on market to builders, home-workshops and industry; other products in development. Potential sales over \$1,000,000 per year on initial products. Seeking financial backing; controlling interest available.
Box F-133, The Wall Street Journal

Newly formed organization with a new concept for the manufacture of movable materials. Would like contacts from financial organizations that deal in consumer financing.
Box F-112, The Wall Street Journal

CAPITAL TO INVEST
UPA interested in any legitimate business proposition. Ample funds available.
Box G-4, The Wall Street Journal

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Box F-128, The Wall Street Journal

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BUSINESS OPPORTUNITIES

ALUMINUM AWNING WINDOWS
We are an established manufacturer of aluminum prime windows. To complete our line, we need a residential aluminum awning window. Preferably, this window will have some patent protection. While it may not necessarily be on the market, designs should be complete enough to determine tentative AUMA approval. We can supply all tools, die, manufacturing and merchandising know how.
Box F-135, The Wall Street Journal

OIL
Two wells to be drilled immediately on and other offsetting royalty owned in Southwest Louisiana. For full information describing the overlying royalty interest write for report as filed with the SEC.
P.O. Box 2625, Houston, Texas

COUNTRY HOTEL FOR SALE
In rapidly growing resort area. Bar, banquet hall, dining room, owners apartment. Near state owned Marina. \$50,000. \$30,000 required.
Box G-49, Wall Street Journal

IMPOSSIBLE TO BELIEVE
Distributors wanted for electric automatic garage door operator that opens and closes from the car or house. Easily installed in one hour. Retail price \$13.95. Seeing is believing. Investment according to territory. Call or write: Baytex Plywood Corp., 4300 Alister Rd., Houston, Tex. MO 7-3350.

ENGINEERING COMPANY with machine shop for sale immediately. Good reputation and diversification with substantial backlog of business. Located in south western Ohio. Employing approx 100 people.
Box G-56, The Wall Street Journal

BUSINESS OPPORTUNITIES

WANTED
NEW PRODUCTS

Manufacturing concern with AAA-1 rating, national sales force, offices and warehouses will consider acquiring individual products or product lines made of any material which lend themselves to marketing through industrial or mill supply distributors.

Addition or expansion of manufacturing facilities would be considered in relation to merit of products.

Acquisition will be made by outright purchase, exclusive license or royalty arrangement.

UNUSUAL MARKETING FACILITIES

This company offers ready distribution through the finest network of established industrial Supply Distributors throughout this country and foreign markets. Over 400 of these distributors have been customers 25 years or more.

Replies addressed to P.O. Box below will be forwarded directly to the president of this company and will be held in strictest confidence. All replies will be acknowledged.

BOX F-134, THE WALL STREET JOURNAL

BUSINESS OPPORTUNITIES

UNUSUAL PROFIT OPPORTUNITY

Big profit opportunity selling and distributing exclusive new material of construction. This dynamic concept in building material has established new standards of performance and still a long existing need in the industrial building, building maintenance and heavy construction industries. Developed through extensive research, by a 40 year old manufacturer of specialized products for industry (a leader in its field). This poured-in-place stone concrete is built-in-place units, by top industrial and governmental organizations. To organizations or persons with imagination and initiative, this new material on which several patents are pending, offers a ground floor profit opportunity for a large dollar-volume of sales with consistent repeat potential. Several desirable territories open. Our regional manager will confer with you.

Write Box F-143, The Wall Street Journal

LARGE FOOD SALES OUTLET

Will buy Western canner or factor of canned fish or fruits and vegetables—loss no deterrent—line of labels desirable.

Replies Confidential

BOX Z-100, THE WALL STREET JOURNAL

CHEMICALS

Manufacturers Representative desires industrial chemical line for the Delaware Valley area. Complete intelligent coverage for product. Interview requested.
Box F-103
The Wall Street Journal

WANTED

Family owned, profitable manufacturing company desires purchase of ice show for sale or sub-lease. Buyer must be successful restaurant operator with financial responsibility. Write P.O. Box 217, Boca Raton, Florida or phone Boca 5381.

JACK VALENTINE'S Restaurant
With new cocktail lounge, famous for ice show. For sale or sub-lease. The finest restaurant in the finest location in Ft. Lauderdale, Florida. Buyer must be successful restaurant operator with financial responsibility. Write P.O. Box 217, Boca Raton, Florida or phone Boca 5381.

FOR SALE
Beverage bottling plant—major full line franchise. 100 acres beverage. 100,000 population—\$100,000 will cover purchase price and working capital.
Box F-122, The Wall Street Journal

Dude Ranch Resort
Est. 1970. Leading Resort of its type in the State. 50 miles from N.Y.C. Fully equipped, growing \$100,000 yearly. Price \$175,000. Minimum down payment \$10,000. Write S. M. Kossuth, 800 Main St., Stroudsburg, Pa.

Automotive Air Conditioner Patent For Sale
Constant speed, unit type, ideal for taxicabs or trucks, no condenser assembly, painting, excellent labor conditions. Present Management will remain. Absentee owner must be interested in buying option or license. Will sacrifice for details.
Box F-145, The Wall Street Journal

FOR SALE
Plastic die plant 80% with plastic molding 20%. Modern 1000 sq. ft. building, metropolitan New Jersey. Principals only.
Box F-145, The Wall Street Journal

Trailer Park
Camden, N. J. area. Strategic location. Successful operation, absentee ownership, recent sale. Write Box G-6, The Wall Street Journal or phone ME 9-9334 (N. J.).

Valuable Distributorship with exceptional high rate of earnings. A business established over 30 yrs. with 200,000 users. Investment \$25,000. 12,500 Box 1417, 1501 Broadway, N. Y.

For sale, electric company serving largest electric power town, 40,000 meters, can be doubled within three years. \$2,250,000. Write M. Kurts, Box 211, El Paso, Texas.

TIMBER & COAL RIGHTS
70,000 acres timber and coal tract in Kentucky for sale or lease. Inquire Box G-16, The Wall Street Journal

44 Broad Street, New York City

BUSINESS OPPORTUNITIES

PLANNING A WEST COAST OPERATION?
Metal Working Plant—San Francisco Bay Area. Will become available in 1958 as fully staffed operating unit when enlarged Midwest facilities are completed. Excellent staff, a resourceful, trained manufacturing team experienced in design, construction, and maintenance of special tooling, dies, and assembly lines. Modern plant approximately 75,000 feet with rail and truck facilities. Attractive offices and employee rooms. Cranes, air, paint line, extensive power lines. Some machine tools may also be included. If you are interested in acquiring a West Coast manufacturing facility without the problems of building a staff, writing and plumbing plant, please write on your letterhead to:
Box F-75-A
The Wall Street Journal
1540 Market St., San Francisco 16, Calif.

INDUSTRIAL SITE

SACRIFICE
Heavy industrial plant for sale located in eastern Penna. 40,000 sq. ft. 3 railroad sidings, 3 box cars. Presently rented for \$20,000 per year. Attractively priced because of need for working capital.
Box G-35
The Wall Street Journal

30,000 sq. ft. modern 2 year old platform high brick building in Pittsburgh area. On 3 acres with 80 ft. railroad siding dock height. Complete with convoluted paint shop and sheet metal production facilities. For sale or long term lease.
Box F-77, Wall Street Journal

MID-HUDSON—140 acres. Commercial dock for ocean going ships. 200,000 gallon oil tanks on property. Suitable for manufacturing or oil storage. P. O. Box 44, The Wall Street Journal

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Douglas DC-3 and Beechcraft D-18. Both with luxury executive-type interiors complete with galley, lavatory, tables, large storage space and seats. Also complete with dual instrumentation, full radio equipment and auto pilots. DC-3 seats 12. D-18 seats 4. Each airplane is in perfect mechanical condition. For complete details, condition, and price write to:
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Box G-50, The Wall Street Journal

5,340 ACRES timber land and hunting lands. 2 miles frontage Savannah River, potential industrial site, \$60 acre. Also 3,000 acres at \$37.
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Box 1153, Savannah, Ga.

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LEGAL—FULL CUT—KRAFT
120M—110 per M—F.O.B. Mfg.—Y&E
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MANUFACTURING TIME OPEN

40,000 sq. ft. plant for mass production of metal fabricated parts and assemblies has open time, punch presses, power brakes, conveyor dip-painting, baking, etc. Write: Universal Fabricating, Inc., 1827 Boone Ave., Bronx 66, N. Y.

BOATS

1955—35 foot Jacar Boatmaster Skiff, twin 100 HP Gray, head, galley, sleeps 2, navy top, curtains, cockpit cover. Pathetic. Very fast \$5000. firm. PY 8-5330.

MACHINERY & EQUIPMENT

For Sale: Warner & Swasey 2 1/2" 5-spindle automatic lathe machine, new in '51, perfect condition, running every day. \$15,000. Call Salem, Virginia, DU 9-2300.

BOATS

FOR SALE OR LEASE
110 ft. passenger vessel—licensed 200 passengers—diesel operated—Canadian registry. At present profitably employed tourist traffic 1000 Islands area of St. Lawrence River. Will entertain sale of vessel with or without business. Alternatively seek contact with responsible resort operator in South who could employ vessel during winter months.
Reply Box F-93
The Wall Street Journal

REAL ESTATE FOR SALE

BEAUTIFUL MONTANA MOUNTAIN RANCH
How would you like to own a ranch that could make money and at the same time furnish you an ideal spot for summer living? This 11,300 acre ranch is located in the edge of the mountain region near a twenty-five mile long lake. It has deer, pheasant, ducks, prairie and grouse with elk and wonderful trout fishing nearby. Then there is swimming, water skiing and horseback riding. The main ranch house and guest house has water, telephone and electricity with most of the conveniences of city living and all of the pleasures of a cool mountain climate. The 230 acre hay and crop lands can be irrigated by gravity flow from two mountain streams flowing through the ranch and will furnish more than enough hay to winter 500 to 700 head of cattle that can be pastured on the ranch. If you are interested in this place at \$250,000.00, contact:
Morris G. Spencer, 2000 Republic Bank Building
Dallas 1, Texas, Telephone: Riverside 2-8677

MACHINERY & EQUIPMENT

Used Machinery. #665 New Britain Chucker, rebuilt; 10 x 14 Cincinnati Grinder; 40 P & J Turret Lathe; LaPointe 25 Tonx45" Broach; All guaranteed. Conall, 1600 Custer Drive, Toledo, Ohio. Phone GR 5-3475.

MISCELLANEOUS FOR SALE

Offer extreme low price 100,000 to 200,000 tons cement in bulk, also 18 bags, Type 1 and Type 2. Cable "WHICOM" C. M. WHITNEY CO. 940 N. E. 28th St. Miami, Florida

REAL ESTATE SALE—RENT—LEASE

FOR LEASE
Ideal Downtown Motel Site approximately 40,000 sq. ft. in main business district. Population around one hundred thousand. Interested in lease of ten to twenty-five years. Reasonable rental, plus small percentage gross receipts.
Box F-74, The Wall Street Journal

DESIRABLE SPACE

Warehouse and offices in Fairlawn, N. J. available jointly or separately. Excellent location at hub of Rte 4-17-308 and Parkway 20 minutes from George Washington Bridge. All buses pass door. Rtl siding, spacious private parking facilities, and easy accessibility make this the ideal location. Call NJ—Fairlawn 6-8027.

ORELAND, PENNSYLVANIA

Approximate 44 miles from City Hall, corner property with lot 200 ft. x 100 ft. 7 bedrooms, 3 baths, heating, central air conditioning, kitchen, sewing room. This property has in the rear on ground level a complete doctor or dentist. Full basement with large car closet. Aluminum storm door and porch. Real buy at \$24,900. Phone Turner 4-2314 for appointment.

40,000 SQ. FT. AIR-COND OFFICES

Strip floor. Fluorescent Lighting. All Subways, 20,000 Sq. Ft. Floors.
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5,340 ACRES

timber land and hunting lands. 2 miles frontage Savannah River, potential industrial site, \$60 acre. Also 3,000 acres at \$37.
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Box 1153, Savannah, Ga.

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1 or 2 room suite in air-conditioned office building, newly furnished and carpeted, telephone and secretarial services available. Inquire Me. 8-6911 or No. 7-1855.

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1100 sq. ft., 1 1/2 ft. frontage, side walk level, will divide and alter to suit. Mr. Felber, Mirdock 6-2756—Mirdock 6-5831, Englewood.

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Excellent for sewing operation. 50-600 sq. ft. Very low rental. Multi-story—r. siding, sprinklered, elevator, air-conditioned office, power wiring, loading dock. No penalty shipping east or west. Please call, write or wire.
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approximately 7000 sq. ft. 7 door platform and garage with truck lift, lavatory, oil heat, macadamized parking area. Center of Passaic, New Jersey. Can also be used as warehouse.
Box G-56, The Wall Street Journal

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Pay Raise Backed for Rails'
New York Harbor Workers

WASHINGTON (AP)—A Presidential Emergency Board recommended a wage increase of \$2.12 a day over a three-year period for New York Harbor dock marine employees of 13 railroads represented by the International Organization of Masters, Mates and Pilots, Inc.

The board also recommended cost of living adjustments and an additional raise of \$1 a day for tug captains and ferry pilots, effective December 21, 1956; 50 cents more on November 1, 1957, and another 50 cents beginning November 1, 1958.

The three-man board, named last month to

avert a strike, also found justification for granting double time for work performed on holidays, or, at the option of the union, to take an additional daily increase for all employees of 16 cents a day in lieu of double time, effective December 21, 1956.

The board's recommendations follow the pattern settlement proposed for most railroad employees in the recent months. They follow largely the proposals of the carriers. The union had sought higher rates for a one-year period.

Railroads involved are New York Central; New Haven; Brooklyn Eastern District Terminal; Jay Street Connecting Railroad; New York Dock Railway; Bush Terminal Railroad; Baltimore & Ohio; Pennsylvania; Erie; Reading; Delaware, Lackawanna & Western; and Central Railroad of New Jersey.

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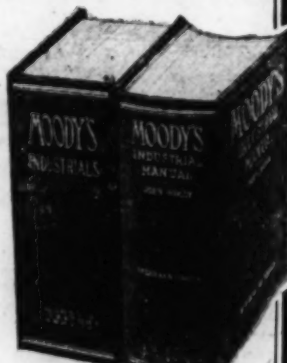
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Call or See Rufus Davis

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Financing Business

Bankers' Acceptance
Rates Reduced 1/8 Point;
Cut Second in Month

Dealers Make Move to Attract More
Short-Term Bills to Market and
Meet Investor Demand

By WALL STREET JOURNAL Staff Reporter

NEW YORK—Bankers' acceptance dealers cut their rates one-eighth of a point across the board Friday in a move to attract more of the short-term bills to the market and meet continuing investor demand, dealers said.

The reduction, the second one-eighth point cut within a month, brought the rates on 30- to 90-day paper to 3 1/2% bid, 3 3/4% offered; 120-day, 4% bid, 3 3/4% offered and 180-day, 4 1/4% bid, 4% offered.

Bankers' acceptances, for the most part, are credit instruments covering the movement of domestic and foreign goods which are "accepted" by a bank—thus putting the credit of the bank behind the purchaser of the goods. Acceptances may then be sold through dealers in the open market or retained by the accepting bank.

The idea behind lowering the rate at which dealers buy acceptances is to encourage borrowers to use collateral for a loan rather than seek a direct loan from a bank at a relatively higher rate. Foreign banks and governments are usually the biggest buyers of acceptances. As a result of recent advances in the yield paid on this paper, however, U. S. savings banks and corporations have stepped up investments in acceptances.

Dealers said the present shortage of new bills seemed to be accentuated by this higher level of demand. Mostly, they regarded the bill as a temporary one which would be ended soon with the marketing of the 1957 cotton crop.

One dealer emphasized that the latest one-eighth point cut was a technical adjustment bearing only on the acceptance market and having little relationship to other short-term rates which have generally been rising.

The previous one-eighth cut occurred August 23. The bankers' acceptance rate has moved eight times so far this year for a net increase of 3/4-point.

Underwriters Relieved
By This Week's Drop
In Number of Offerings

"Float" in Unsold Bonds Put at
\$100 Million, Including Parts
of 4 High-Grade Issues

A WALL STREET JOURNAL News Roundup

The volume of new corporate securities coming into the market will dip temporarily this week—a prospect that probably is not welcomed by underwriters who have substantial blocks of older debt issues unsold on their shelves.

Unofficial estimates late Friday placed the "float" of corporate bonds unsold in the Street at \$100 million or more. That figure included a portion of Niagara Mohawk Power Corp.'s \$50 million of 4 1/2% awarded last Monday, and left-overs from three of the preceding week's issues—Duke Power Co.'s \$50 million of 4 1/2%, New Jersey Bell Telephone Co.'s \$30 million of 4 1/2% and Philadelphia Electric Co.'s \$40 million of 4 1/2%.

Last week's two other principal utility debt issues—Consolidated Natural Gas Co.'s \$30 million of 5% and Pacific Power & Light Co.'s \$20 million of 5 1/2%—were complete sell-outs at retail. Also heartening to underwriters was

the fact institutional investors late in the week were nibbling at the "stickier" issues that account for bulk of the present inventory.

The reduced volume of new corporate securities business promised for this week includes half a dozen debt issues totaling less than \$50 million. There will be a single common stock issue offered at competitive bidding, but no new preferred stock issues of size.

Debt issues slated for public bidding include: \$25 million of bonds by Consumers Power Co., set for today; \$15 million of bonds by Utah Power & Light Co., tomorrow; \$5,445,000 of equipment certificates by Seaboard Air Line Railroad, on Wednesday, and \$4,500,000 of equipment certificates by Chesapeake & Ohio Railway, on Thursday.

National Cylinder Gas Co.'s \$17,500,000 of convertible debentures—delayed for technical reasons—may be ready for the market about the middle of the week, via a Merrill Lynch, Pierce, Fenner & Beane group.

Underwriters led by Johnston, Lemon & Co. and Eastman Dillon, Union Securities & Co. expect to be in the market with \$12 million of debentures (with warrants) for State Loan & Finance Corp., probably tomorrow.

The week's only common stock offering of size—Utah Power & Light's 400,000 shares—is up for public bidding tomorrow, along with the utility's bond issue.

New corporate bond issues publicly offered totaled \$119,810,000 last week and \$336 million in the preceding week. Last week's total for new issues of common stock was \$23,290,000 and there were two new preferred stocks totaling \$12 million.

Middle South Utilities
Plans \$14 Million Issue
Of Common Shares

By WALL STREET JOURNAL Staff Reporter

NEW YORK—Middle South Utilities, Inc., has authorized the sale of 451,494 shares of \$10 par common stock at competitive bidding. Bids will be opened on November 19.

A company spokesman said, "This equity capital offering will be the last we will have to make until sometime in 1959." He said the utility expects to realize proceeds of about \$14 million from the stock sale and will invest the funds in the securities of its four operating subsidiary companies. Middle South common is currently quoted above 30.

The new common stock sale will raise Middle South's number of outstanding common shares from 7,598,106 to 8,050,000 shares.

Commonwealth Edison Preferred

WASHINGTON—Commonwealth Edison Co. registered its proposed 250,000 shares (\$25 million) of \$100 par cumulative preferred stock with the Securities and Exchange Commission. The Chicago company said it intends to market the securities publicly through an account led jointly by First Boston Corp. and Glore, Forgan & Co.

Chesapeake & Ohio Railway

NEW YORK—Chesapeake & Ohio Railway will open bids September 26 in Cleveland for \$4,500,000 of equipment trust certificates. Proceeds of the sale will provide 80% of the cost of a hopper car and diesel locomotive purchase.

Money Rates

NEW YORK—Bankers acceptance rates on 30-90 day bills were quoted at 3 1/2% to 3 3/4%, 120 day bills are 4% to 3 3/4% and the 180 day bills 4 1/4% to 4%.

Federal funds bid 3 1/2%.

Call money lent dealers on bills and Treasuries was quoted at 4 1/4% to 4 1/2%.

Call money on stock exchange collateral was 4 1/4% to 4 1/2%.

Commercial paper sold through dealers four to six months maturity was 4% to 4 1/4%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3 3/4% to 4%.

for nine-month paper. The rates now are 3 3/4% for 30 to 89-day paper, 3 3/4% for 90 to 179-day paper, 4% for 180 to 229-day paper and 4 1/4% for 240 to 270-day paper.

No rate increases have been made by commercial paper brokers and dealers since August 7. The prevailing rates are 4% on prime four to six months' paper and up to 3 3/4% on paper of less well-known business concerns.

Elgin to Close Watch Case
Plant; 200 Workers Affected

ELGIN, Ill.—Elgin National Watch Co. announced it will close its Wadsworth watch case plant at Dayton, Ky., across the Ohio River from Cincinnati.

About 200 employees were notified that operations will be suspended about the first of next year.

"Reduced need for domestically made watch cases makes it more practical and economical to rely on outside case suppliers," H. E. Corr, vice president, said.

Mr. Corr, also general manager of the watch division, commented, "our decision recognized the growing dependence of the American watch market on Swiss-made time pieces, which because of the labor-cost differential and low tariffs now account for about 80% of all jeweled watches sold in this country." Many of the imported watches came already cased, he added.

He described the move as part of a program to increase profitability of Elgin's watch operations by gearing manufacturing facilities to "a realistic appraisal of current product requirements."

Commercial Paper
Outstanding Rose 2%
From July to August

By WALL STREET JOURNAL Staff Reporter

NEW YORK—The dollar volume of commercial paper outstanding rose by 2% during August over July, the Federal Reserve Bank of New York reported.

The month-end total was \$2,835,000,000, an increase of \$54 million over the July level. It represents a gain of 6% since the seasonal low of June, as offerings from tobacco, milling and canning concerns and department stores are beginning to reach the market, the Reserve Bank said.

For the eight large finance companies reporting to the Federal Reserve, commercial paper outstanding at the end of August amounted to \$2,334,000,000, up \$12 million from the end of July. Commercial paper marketed through brokers and dealers amounted to \$501 million, up \$42 million from the month before.

Commercial paper is the money market term for the promissory notes issued by leading corporations to raise funds, usually for seasonal needs. Dealers sell the notes of borrowers in the open market, while finance companies place their issues directly with investors.

Rates of major sales finance companies were adjusted upward September 11 by 1/4 percentage point for paper of one to eight months' maturity and 1/4 percentage point

Conoco Completes Oil Well

HOUSTON—Continental Oil Co. announced completion of its State 971 No. B-3 as a discovery oil well off the Louisiana coast in Plaquemine Parish.

The well, perforated between 8,964 and 8,972 feet, had an initial potential flow of 217 barrels of 30 gravity oil daily through a 1 1/2-inch opening.

American Sumatra Tobacco

AMERICAN SUMATRA TOBACCO CORP. and subsidiary report for the fiscal year ended July 31:

	1957	1956	1955
Earnings per share	\$ 8.81	\$ 8.81	\$ 8.18
Net sales of tobacco	\$6,899,008	\$6,344,898	\$5,961,772
Less other expenses	1,827,397	1,810,569	1,810,532
Profit before taxes	5,071,611	4,534,329	4,151,240
Less income taxes	1,583,523	1,497,581	1,410,439
Current assets	4,488,088	3,036,748	2,740,801
Current liabilities	1,868,434	1,812,239	1,532,546
Long-term debt	1,800,000	1,800,000	1,800,000
Capital stock	977,063	977,063	977,063

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Washington New York Cleveland

AEG

Allgemeine Elektrizitäts-Gesellschaft
(General Electric Company, Germany)

Notice of Cash Payment to and Substitution of Security for Holders of Dollar Debentures and Coupons of the Following Issues:

- (1) Twenty Year Sinking Fund Seven Per Cent. Gold Debentures, due January 15, 1945 of AEG (the "7% Debentures").
- (2) Fifteen Year 6 1/2% Gold Sinking Fund Debentures, due December 1, 1940 of AEG (the "6 1/2% Debentures").
- (3) Twenty Year 6% Gold Sinking Fund Debentures, due May 1, 1948 of AEG (the "6% Debentures").
- (4) 6% Sinking Fund Gold Debentures, due June 1, 1953, of Gesellschaft für elektrische Unternehmungen (the "GEF Debentures").

NOTICE IS HEREBY GIVEN that, as hereinafter specified in a Notice of Cash Payment published in The New York Times on November 27, 1956, holders of Debentures of any of the above captioned issues or of any coupon pertaining to such Debentures, which are eligible for surrender in acceptance of the Offer of Settlement, dated June 15, 1955, of ALLEMEINE ELEKTRIZITÄTS-GESELLSCHAFT (hereinafter called the "Company"), are, upon surrendering the same on or prior to June 30, 1960, together with an executed Letter of Transmittal and Acceptance, at the corporate trust office of the Exchange Agent, The First National City Bank of New York, 2 Wall Street, New York 15, New York, in acceptance of the Offer of Settlement, entitled, to receive in exchange therefor only the payments hereinafter specified:

Eligible Securities	Amounts Payable
7% Debentures:	
\$1000 Denomination	\$1,004.30
\$500 Denomination	\$502.15
\$250 Coupons	\$25.00
6 1/2% Debentures:	
\$1000 Denomination	\$1,020.77
\$500 Denomination	\$510.38
\$250 Coupons	\$25.00
6% Debentures:	
\$1000 Denomination	\$1,000.00
\$500 Denomination	\$500.00
\$250 Coupons	\$25.00
GEF Debentures:	
\$1000 Denomination	\$1,100.00
\$500 Denomination	\$550.00
\$250 Coupons	\$25.00

As provided in the said Offer of Settlement under the subcaption "Period for Exchange", the foregoing amounts are payable with respect to Debentures and related interest coupons so surrendered by reason of the redemption, on January 1, 1957 (hereinafter called the "redemption date"), of all of the then outstanding Debt Adjustment Bonds, due January 1, 1958 of the Company which had theretofore been issued pursuant to the said Offer of Settlement. The amounts so payable are equal to the redemption prices of the respective amounts of Debt Adjustment Bonds which would otherwise have been issuable under the said Offer of Settlement in exchange for said Debentures and interest coupons including the interest accrued on such Debt Adjustment Bonds from January 1, 1953 to the redemption date, and, in the case of the 7% Debentures, the \$1.50 per \$100 principal amount of such 7% Debentures payable under the said Offer of Settlement in discharge of the premium payable under the terms of such 7% Debentures, all as provided in said Offer of Settlement. No interest will be paid for any period subsequent to January 1, 1957. Copies of the said Offer of Settlement and forms of the Letter of Transmittal and Acceptance may be obtained from the Exchange Agent.

NOTICE IS HEREBY ALSO GIVEN that, on October 1, 1957, the Company will deposit with Deutsche Waren-Treuhand-Aktiengesellschaft, Hamburg, an amount in Deutsche Mark, equivalent, at the rate of exchange current on the day preceding the date of such deposit, to the aggregate London Agreement Equivalent of such term is defined in said Offer of Settlement) of all of said Debentures which shall be outstanding on the date of such deposit and eligible for surrender in acceptance of said Offer of Settlement (hereinafter called the "Non-surrendered Debentures"), plus interest thereon from January 1, 1953 to January 1, 1957 at the respective rates applicable to the Debt Adjustment Bonds which were issued prior to such January 1, 1953 had been exchangeable for such Debentures. Such deposit will be made with reference to an agreement to be entered into between the Company and Deutsche Waren-Treuhand-Aktiengesellschaft, which agreement will, in compliance with the provisions of Paragraph 5 of the caption "Security for the Bonds and the Debentures" in the said Offer of Settlement, provide, among other things, that the Company will maintain such deposit in an amount equivalent, at the rate of exchange current from time to time, to the London Agreement Equivalent of the Non-surrendered Debentures outstanding from time to time prior to July 1, 1960, plus interest thereon from January 1, 1953 to the redemption date, and, in the case of the 7% Debentures, the \$1.50 per \$100 principal amount of such 7% Debentures payable under the said Offer of Settlement in discharge of the premium payable under the terms of such 7% Debentures, all as provided in said Offer of Settlement. No interest will be paid for any period subsequent to January 1, 1957. Copies of the said Offer of Settlement and forms of the Letter of Transmittal and Acceptance may be obtained from the Exchange Agent.

A hearing on the aforesaid application will be held before the District Court (Landgericht) of Berlin, at Tagelieg Weg 17/20, Berlin, Germany, at 10 a.m. on April 30, 1958.

Any holder of any one or more of the Non-surrendered Debentures or Non-surrendered Interest Coupons is entitled, pursuant to Section 78 of the Implementation Law, to raise objections to the granting of the court order to be applied for by the Company.

Company is prohibited by German law from making any payment on, or performance in respect of, any Debentures or related interest coupons until the payment in full of all foreign currency obligations issued pursuant to the London Agreement on German External Debts of February 27, 1953, the last of which obligations mature in the year 1964.

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Berlin/Grünwald Germany Frankfurt/M.

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American Bankers Head Calls for Listing Bank Shares on Exchanges

Cooke Is "Cautious" on Business Outlook, Says Federal Reserve's Credit Policy Is "Right"

By a WALL STREET JOURNAL Staff Reporter
ATLANTIC CITY—The outgoing president of the American Bankers Association called for the listing of bank shares on stock exchanges to widen the distribution of bank equities. Trading in bank stocks is now generally confined to the over-the-counter market.

Erle Cooke, who is also stepping out as chief executive officer of Fulton National Bank, Atlanta, urged banks to sell additional shares of capital stocks in this period of "greatest opportunity," when bank profits and earning assets are at a high level.

Mr. Cooke made his remarks at a press conference opening the 53rd annual convention of the A.B.A., which will continue here through Wednesday. Over 5,000 bankers have already checked in.

The A.B.A. president, who is leaving private banking to become one of the three directors of the Federal Deposit Insurance Corp. September 30, related that a group of businessmen calling on him at his Atlanta office proposed that Fulton National stock be listed on the New York Stock Exchange. "I told them we would be delighted to be on it if we could qualify," he commented.

There is no prohibition against the listing of bank shares on stock exchanges. Corn Exchange Bank of New York, for example, was listed on the big board until its merger a few years ago with Chemical Bank and Marine Midland Corp., largest bank-holding company in New York state, is now traded on the N.Y.S.E.

Mr. Cooke made these other points to reporters: He takes a somewhat cautious view of the business outlook for the next six months, expects so-called "light" money to continue a while longer and believes the Federal Reserve Board's credit restraint policy has been "right as of today."

Money Demand Ahead

In answer to questions, the A.B.A. chief said that the likelihood of the change in interest rates charged by banks depends on whether savings deposits catch up with the demand for loans. "So far," he commented, "the demand for money has been far in excess of savings accumulations, though savings have grown remarkably."

Because of this relationship between credit demands and savings Mr. Cooke said he "expects tight money may be with us for awhile, maybe months, quarters, years." But as to whether the Federal Reserve should continue its policy of credit restraint, Mr. Cooke observed "future conditions will have to determine that entirely."

On another topic, Mr. Cooke said he regards the dual banking system (of nationally and state-chartered banks) as the "bulwark of not only the banking industry but the financial economy." He said he sees "no threat to dual banking" in the Federal Bank Holding Company Act of 1956 which permits the creation and expansion of bank-holding companies, but that its applicability in some states might be a matter "for local courts to decide."

Garrett Corp.

Balance sheet items of Garrett Corp. and subsidiaries
Total assets: \$90,631,589
Cash: \$1,377,303
Investments: \$4,227,147
Current assets: \$7,437,303
Notes payable (current): \$2,399,000
Current liabilities: \$3,246,097
Long-term debt: \$3,750,000
Capital surplus: \$12,486,311
Earned surplus: \$17,079,745
Cap. surplus, \$5 par: \$46,719
After depreciation: \$77,627

Prices of Recent Securities Issues

The original offering price and Street market are indicated below for recent issues of selected securities that are not listed on a principal exchange.

UTILITY BONDS			
Issues:	Price	Bid	Asked
Consolidated Nat G 5 1/2% '82-102	102 1/2	102 1/2	102 1/2
Louisville G 4 1/2% '87-100.185	102 1/2	102 1/2	102 1/2
Mich Wst Pl 6 1/2% '77-102.899	102 1/2	102 1/2	102 1/2
North States 5 1/2% '87-100	104	104 1/2	104 1/2
Pacific P & L 5 1/2% '87-100.714	101 1/2	102 1/2	102 1/2
Pacific T & T 5 1/2% '80-102.387	103 1/2	103 1/2	103 1/2
Public Ser 4 1/2% '87-101.026	100 1/2	101	101
Puget S P&L 6 1/2% '87-103.459	107 1/2	108 1/2	108 1/2
Sou Cal Edis 4 1/2% '82-101.085	101 1/2	101 1/2	101 1/2
Sou Cal Gas 5 1/2% '83-101.807	108	108 1/2	108 1/2
Tampa Elec 5 1/2% '87-102.358	101 1/2	102	102
Tenn Gas Tr 6 1/2% '77-99	103	104	104
West Penn P 4 1/2% '87-101.66	101 1/2	102 1/2	102 1/2
Wis Tele 4 1/2% '92-101 1/4	98 1/2	99 1/2	99 1/2
OTHER BONDS			
El Paso N G 5 1/2% '77-100	103 1/2	104	104
Gen Mtrs AC 5 1/2% '77-97 1/2	101 1/2	102	102
King of Bel 5 1/2% '72-97 1/2	97 1/2	98	98
Lahigh Cem 4 1/2% '79-100	100 1/2	101 1/2	101 1/2
Sperry Rand 5 1/2% '82-100	101 1/2	102	102
Tex E Trans 5 1/2% '77-99	99 1/2	100 1/2	100 1/2
PREFERRED STOCK			
El Paso Nat G 6.40s-100	103	103 1/2	103 1/2

Tax Exempts

Dealers Are Optimistic Despite \$100 Million Rise in Coming Issues

A WALL STREET JOURNAL News Roundup
The long-expected fall upswing in municipal financing is on the horizon.

The total value of tax-exempt securities to be marketed in the next 30 days totals \$439,842,512, according to the Daily Bond Buyer. That's \$100 million above last Monday's total.

Apparently unhampered by the volume of issues coming to market, dealers in tax-exempts reported another profitable week. New issues during the period were well received and backlogs in older offerings were whittled away. The recent Wichita and Baltimore bonds, in company with several other smaller issues, were reported moving at a price markup.

The Dow-Jones municipal yield index composed of 20 representative 30-year bonds gauged the improved tax-exempt market by dropping to 3.52% from last Monday's 3.54%. The index, which reacts inversely to bond prices, has moved slowly but surely downward since reaching a 22-year high of 3.58% on August 19.

Another measure of municipal bond activity, the Blue List total value of unsold tax-exempt securities in dealers' stocks, shows a drop today to \$162,883,000 from last Monday's \$171,260,000 figure.

Some municipal dealers say that dwindling hopes for a continued fourth quarter industrial business boom have brought money from new sources into the tax-exempt market and in sales.

One or two traders speculated that funds normally invested in the stock market were making their way into bond purchases. They wouldn't say the movement was a trend, however.

All municipal traders agree that, but for the stifling volume of long-term financings besieging the market, bond prices would be tagged with sizable increases. But their outlook on the next three months was mixed with the optimism predominating. One banking veteran characterized the performance last week as that of "an active market but not a trend market." Another stated that he could see "no reason for things not to keep going the way they are."

Issues of tax-exempts to be offered for sale this week total \$104,408,294. Only large issues scheduled are \$12.5 million Hawaii highway revenue securities and \$10 million Oakland school bonds both to be marketed on Tuesday.

Other offerings include:

Today: Bellingham, Wash., \$2 million; Palo Alto, Calif., \$3 million;
Tuesday: Anaheim, Calif., \$3,050,000; Colorado Springs, Colo., \$5,500,000; Delray Beach, Fla., \$1,378,000; Fargo, N. D., \$1,725,000; Fullerton, Calif., \$1 million; Godwin Heights, Mich., \$1,600,000; Houma, La., \$3,050,000; Midland, Texas, \$1,250,000; Mobile County, Ala., \$1,500,000; Odessa, Texas, \$1 million; Oyster Bay, N. Y., \$1,900,000; Washington and Multnomah Counties, Ore., \$1,500,000; Wilson County, N. C., \$2 million;
Wednesday: Aurora, Colo., \$3 million; Johnson County, Kans., \$3,250,000; Salt Lake County, Utah, \$1 million; Topeka, Kans., \$2,500,000;
Thursday: Harriman, Tenn., \$2,400,000; Madison, Wis., \$4 million; Manlius, N. Y., \$1,185,000;
Friday: Colorado, \$8 million; University of Florida, \$1,925,000.

New York Thruway Revenues Rose to \$4,536,973 in August

ALBANY—Gross revenues realized from operations of the New York State Thruway.

Sabre-Pinon Expects Profit in Latter Half of 1958

DALLAS—Sabre-Pinon Corp. "should show some earnings" by the last half of calendar 1958, Richard D. Bokum, II, president, told the annual meeting here.

He said that the company, in limited partnership with Homestake Mining Co., expects to be mining uranium ore from its New Mexico properties by the end of the current calendar year. Homestake-Sapin Partners, the resulting partnership, figures completion of its 1,500-ton a day uranium processing mill by April, 1958, and mining and processing should "be in full operation by the middle of 1958," Mr. Bokum said.

The president explained that future earnings would go to pay off debt, but added that by 1960 the company should be out of debt and have annual earnings, applicable to dividends, of about \$2 a share.

Uranium reserves of Homestake-Sapin's three sections now under development, he said, are estimated about 5 million tons, but "we anticipate we'll double the reserves with additional drilling."

The company has leased about 100,000 acres in Alaska, Mr. Bokum related, at the cost of 25 cents an acre from the Federal Government. About half of the acreage is in the Anchorage basin, he explained.

At the meeting, stockholders voted to reduce the number of directors from 10 to seven.

Bank Group Asks Change in FDIC Director Law

NEW YORK—The National Association of Supervisors of State Banks urged a law change to eliminate the requirement for the Comptroller of Currency to be a director of the Federal Deposit Insurance Corporation.

The state regulatory authorities termed it "entirely inappropriate" for the Comptroller, who supervises nationally-chartered commercial banks, to be the only statutory member on the three-man board. This provision, the state bank supervisors complained, "poses statutory discrimination against the state banking system."

The national association of state banking officials also voted to set up full-time permanent headquarters in Washington, D.C. In order, spokesmen said, to keep closer tabs on Federal legislation affecting banking and to provide research and statistical services.

Steel Parts Corp.

STEEL PARTS CORP. reports for year ended August 31:

	1957	1958
Earnings per share	8.78	8.72
Sales	4,340,467	3,380,546
Net before income taxes	339,402	377,314
Federal income taxes	179,184	162,369
Net income	160,218	214,945
Capital shares	230,375	219,978

a-Adjusted to reflect 5% stock dividend in May, 1957.

Bond Markets

Long-Term Treasuries Wind Up Week Mixed; Corporates Are Steady

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Long-term U. S. Government bonds wound up an uneven week in the bond market with another mixed performance.

Some dealers closed the new 12-year Treasury 4s at 99-30-32 bid, off 3-32 for the day. The bonds, dealt in on a when issued basis, reached 100-9-32 bid early in the week.

The Victory Loan 2 1/2s of December, 1947-72, were 88-12-32 bid, down 4-32 Friday and 16-32 for the week. The 3 1/2s of June, 1978-83, were up 2-32 for the day and down the same amount weekly, closing at 83-2-32 bid. The 40-year 3s rose to 88 bid, up 4-32 daily and 8-32 for the week.

Yield on the new 12-year issue was 4%. The "Vice" offered 3.87%, the 3 1/2s returned the same percentage, and the 40-year 3s gave 3.59% interest.

A Friday price rise, backed by lively activity during the morning, brought investment grade corporates about even for the week. Dealers estimated the average Friday boost to better-grade bonds at 1/4 to 1/2 point.

"Some of the old stuff—competitive issues saddled with coupons too low to attract bargain hunters—began to look better to investors," a dealer declared. "We might clean up some more of these slow deals next week," he added.

Municipals ended a brisk week with prices little changed. Dealers said prices had found a workable level, one on which—at least for the present—investors were taking up the tax-free issue promptly.

Revenue bonds, off fractionally Friday, were mixed on the week.

Rails were easy Friday on small volume; price changes and volume were minor through the week.

Germans inched up again in the foreign market, and Uruguayans also showed a plus for the week. Australians were lower.

Convertible lost ground on the week, with most of the loss coming in Friday's session.

Equipment Certificate "Float"

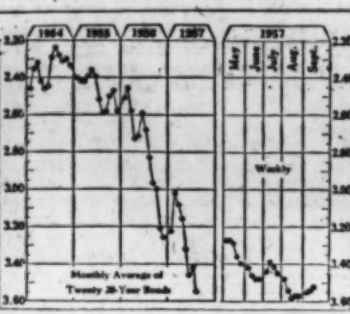
Unsold inventories of equipment certificates in the hands of dealers are estimated at \$4,750,000 this morning, compared with \$4,100,000 the previous week. One issue was sold last week; this week two offerings, for a total of \$9,945,000, are scheduled.

South Africa Plans Borrowing

NEW YORK—The Union of South Africa Government is arranging to increase its existing \$10 million credit lines with certain U. S. commercial banks boosted to \$20 million. Finance Minister J. F. Naude reported here. The banks involved include the Chemical Bank, First National City Bank, Bankers Trust Co., Hanover Bank, New York Trust Co., and First National Bank of Chicago.

In addition to the \$15 million external loan bond issue South Africa plans to offer in New York soon, it is negotiating a \$25 million borrowing with the International Bank in Washington.

Municipal Bond Yield



during August totaled \$4,536,973 in establishing a new monthly record. The New York State Thruway Authority reported.

The total for August, 1958, was \$3,687,283. For July, the authority had disclosed gross revenues of \$4,072,898 from toll road operations. The gross revenue figure includes tolls collected at barriers, income from concessions and interest from investments.

The authority also reported that gross revenues for the first eight months of 1957 totaled \$20,963,338, a 20.4% increase over the like total for the January-August period in 1956.

Buffalo \$8,396,000 Issue Sold To Chase Manhattan Group

Chase Manhattan Bank and associates were purchasers of \$8,396,000 Buffalo, N. Y., various purpose bonds on a dollar bid of 100.3519 for 3% coupons.

At the reoffering the Buffalo securities were priced to yield 2.35% in 1958 out to 3% in 1972. A balance of \$3.8 million bonds was reported left in the issue yesterday afternoon.

Buyer of \$2.5 million Columbia, S. C., water and sewer revenue bonds was a syndicate led by Blyth & Co., Inc., and Smith, Barney & Co.

This group offered a net interest cost of 3.97% on the borrowing based on coupons of 5%, 3.80%, and 3.90%. The revenue securities were priced to yield 2.90% in 1959 to 4% in 1987 to retail investors at the reoffering. A mid-afternoon balance reading yesterday showed \$1,128,000 of bonds left.

Auburn, N. Y., School District bonds bearing a face value of \$1.6 million and maturing 1988 to 1977 were awarded to a combination managed by First Boston Corp. and Carl M. Loeb, Rhoades & Co.

This account offered 100,339 for the school obligations and asked coupons of 3.20%. Yields of 2.40% to 3.20% were established on the bond prices at reoffering.

The Security-First National Bank of Los Angeles headed a group that delivered the top bid on \$1.3 million Laguna Beach, Calif., sewer bonds maturing 1958 through 1984.

The high group asked coupons of 6%, 3 1/2%, 3 1/4%, and 4%, in establishing a net interest cost of 3.9639%. The bonds were scaled to yield from 2.60% to 4.05% at the reoffering.

September 23, 1957

\$2,500,000 City of Columbia, South Carolina 5%, 3.90% and 3.80% Waterworks and Sewer System Revenue Bonds of 1957

Dated October 1, 1957 Due January 1, as shown below

Bonds maturing on and after January 1, 1970 are subject to redemption, in whole, or in part in inverse numerical order, on January 1, 1969, or any interest payment date thereafter, at par and accrued interest, plus a premium of 3 1/4% if redeemed on or before January 1, 1974; 2 1/4% thereafter, but on or before January 1, 1978; and 1 1/4% thereafter and prior to maturity.

Principal and semi-annual interest (January 1 and July 1) payable in New York City or Columbia, South Carolina. Coupon bonds in the denomination of \$1,000, negotiable as to principal only.

Interest exempt, in the opinion of counsel, from Federal Income Taxes under existing Statutes, Regulations and Court Decisions.

THESE BONDS, will constitute, in the opinion of counsel, valid and legally binding special obligations of the City of Columbia, South Carolina, payable solely from and secured by a lien upon and pledge of the revenues derived from the operations of the Combined Waterworks and Sewer System of the City of Columbia, including all improvements and extensions thereto, and remaining after the payment of the reasonable and proper costs of operating and maintaining the System, and, will rank equally and be on a parity with \$4,455,000 outstanding Waterworks and Sewer System Revenue Bonds of Columbia; with \$436,500 outstanding Waterworks and Sewer System Revenue Bonds of the annexed municipality of Eau Claire also having a claim to the revenues of the System, not inferior to that of these Bonds.

Amount	Rate	Due	Yield	Amount	Rate	Due	Yield	Amount	Rate	Due	Yield
\$50,000	5%	1959	2.90%	\$60,000	5%	1965	3.55%	\$180,000	3.80%	1972-73	3.75%
50,000	5	1960	3.00	120,000	5	1966-67	3.60	180,000	3.80	1974-75	100
50,000	5	1961	3.15	140,000	5	1968-69	3.65	180,000	3.80	1976-77	3.85
50,000	5	1962	3.30	180,000	3.80	1970-71	3.70	330,000	3.90	1978-80	100
60,000	5	1963	3.45	180,000	3.80	1971-72	3.70	330,000	3.90	1981-83	3.95
60,000	5	1964	3.50					480,000	3.90	1984-87	4.00

(Accrued interest to be added)

These Bonds are offered when, as and if issued and received by us, subject to prior sale and approval of legality by Messrs. Stinkler, Gibbs & Simons, of Charleston, South Carolina. This is not an offer to sell these securities, said offering is made only by means of the offering circular, copies of which may be obtained from such of the undersigned as are registered dealers in this State.

Blyth & Co., Inc. Smith, Barney & Co.
Merrill Lynch, Pierce, Fenner & Beane B. J. Van Ingen & Co. Inc.
Estabrook & Co. Andrews & Wells, Inc. Park, Ryan, Inc.
Green, Ellis & Anderson Varnedoe, Chisholm & Co., Inc.

We are pleased to announce that
MR. KENNETH A. KEITH
Managing Director
Philip Hill, Higginson & Co., Limited
of London, England
has been elected a member
of our Board of Directors

Harriman Ripley & Co.
Incorporated
63 Wall Street, New York 5, N. Y.
BOSTON PHILADELPHIA CHICAGO
CLEVELAND DETROIT READING

Business Statistics
WASHINGTON—The Commerce Department issued its 1957 edition of Business Statistics. The volume contains a comprehensive summary of economic indicators since 1929.

Bond interest is exempt, in the opinion of Bond Counsel, from all present Federal Income Taxes

\$4,400,000 THE JERSEY CITY SEWERAGE AUTHORITY, N. J. Sewer Revenue Bonds, 3rd and 4th Series (Additionally Secured)

PURPOSE—Bond proceeds, together with proceeds of \$35,000,000 1st and 2nd Series Bonds issued in 1954 and 1955, are to be used to finance Jersey City's sewage treatment-disposal facilities and their connection with the City's existing sewer system. This \$40,000,000 project, ordered by the Interstate Sanitation Commission, is scheduled for October, 1957 completion.

SECURITY—The Authority's Bonds, in the opinion of Bond Counsel, are secured by and are payable from: the net revenues of the Sewage Disposal System; and

ADDED SECURITY—Provided that if said revenues ever are insufficient to cover System expenses, including Bond principal, interest and reserves therefor, the City is bound by Contract with the Authority to make up said deficiency not later than 90 days after the close of the year in which it occurred. Jersey City, a center of diversified industry with population of about 300,000, is the second largest city in New Jersey.

Amount	Coupon	Rate	Due Jan. 1	Yield
\$60,000	5%	1961	3.60%	
70,000	5	1962	3.70	
75,000	5	1963	3.80	
75,000	5	1964	3.90	
75,000	5	1965	4.00	
85,000	4 1/4	1966	4.10	
85,000	4 1/4	1967	4.20	
85,000	4 1/4	1968	4.30	
90,000	4 1/4	1969	4.40	
95,000	4 1/4	1970	4.45	
100,000	4 1/4	1971	4.50	
100,000	4 1/4	1972	4.55	
105,000	4 1/4	1973	4.55	
110,000	4 1/4	1974	4.60	
120,000	4 1/4	1975	4.60	
125,000	4 1/4	1976	4.65	
130,000	4 1/4	1977	4.65	
135,000	4.90	1978	4.70	
135,000	4.90	1979	4.70	
145,000	4.90	1980	4.70	
150,000	4.90	1981	4.70	
155,000	4.90	1982	4.75	
160,000	4.90	1983	4.75	
160,000	4.90	1984	4.75	
165,000	4.90	1985	4.75	
180,000	4.90	1986	4.80	
190,000	4.90	1987	4.80	
200,000	4.90	1988	4.80	
205,000	4.90	1989	4.80	
205,000	4.90	1990	4.85	
205,000	4.90	1991	4.85	
210,000	4.80	1992	4.85	
220,000	4.80	1993	4.85	

These Bonds (dated July 1, 1957) due serially January 1, 1961 to 1993, inclusive; payable in New York City and Jersey City are offered when, as and if received by the Underwriters, subject to the approving legal opinion of Messrs. Reed, Hoyt, Taylor & Washburn, New York, New York.

This announcement is neither an offer to sell nor a solicitation to buy any of these securities. The offering is made only by the Official Statement, copies of which may be obtained from any of the Underwriters.

/ Bonds maturing 1966 and thereafter are redeemable on and after January 1, 1966 or 104% on or before January 1, 1970, and thereafter at gradually reducing premiums to par after January 1, 1970.

John Nuveen & Co. (Incorporated)
Eastman Dillon, Union Securities & Co.
Glore, Forgan & Co.
Dean Witter & Co.
William Blair & Company
Julian Collins & Company
Tripp & Co., Inc.
Talmage & Co.
Robert N. Tuller Co.

Commodities

Price Trends of Tomorrow's Meals and Manufactures

Benson Sets Price Props of \$1.10 a Bushel On Corn Planted in Defiance of Acreage Curbs

WASHINGTON—Agriculture Secretary Benson announced the Government will again pay farmers an average \$1.10 a bushel for corn grown in defiance of Federal acreage restrictions.

The so-called non-compliance support, which was also granted last year, is necessary to help prevent the collapse of grain markets now and hog markets later, he said. Last week's Government report on farmers' pig production intentions raised "danger signals," Mr. Benson observed, since it showed a probable increase of 7% in 1958 winter quarter farrowings over a year ago.

When corn prices are low, farmers can get more money out of the grain by feeding it to pigs than by selling it outright, and they tend to grow more pigs. The farm chief said he hoped the support on non-compliance corn would help correct such over-production.

The \$1.10 support level compares with a minimum of \$1.36 a bushel, or 77% of parity, set last fall for farmers who observe planting restrictions in the 894-county commercial corn belt. The non-compliance support will be available only in the commercial area.

But, under the law, supports for corn grown outside the commercial area, in accordance with acreage allotments, got a boost to about \$1.34 a bushel from the average \$1.11 a bushel set earlier. Congress ruled that such corn should be supported at 70% of parity—a ratio of farm prices to costs—rather than 75% of the commercial area rate if props are allowed on "non-compliance" corn.

Mr. Benson also noted that when non-compliance supports are in effect, the law requires a one-cent bushel increase in the support levels for oats and barley and a three-cent bushel increase in rye props. He said this change will be ordered shortly, and in addition, the support level for grain sorghums will be refigured on October 1 to reflect 70% of parity.

The final figure for propping compliance corn in the commercial area will also be figured on that date on the basis of 77% of parity. The \$1.36 minimum average announced earlier cannot be lowered, but can be raised then, if parity advances or the supply situation grows tighter. Parity is a legal yardstick which is supposed to measure the amount a farmer would have to get for his products to break even with his operating costs.

Action Draws Protest

By a WALL STREET JOURNAL Staff Reporter
CHICAGO—The Agriculture Department's announcement on price supports for non-compliance corn drew sharp protest here from Robert C. Liebenow, president of the Chicago Board of Trade.

The Agriculture Department has again "showed contempt for the farmer and the

LEADING HITS OF BROADWAY

"SWEETHEART OF A MUSICAL COMEDY"—Kerr, Herald Tribune

JUDY HOLLIDAY IN BELLS ARE RINGING

SHUBERT THEATRE, 225 W. 44th St., CI 6-3900
Evenings at 8:30. Mats. Wed. & Sat. 2:30

B'WAY'S LONGEST RUNNING HIT—2nd Year!

DAMN YANKEES

THE BRASS HIT MUSICAL

Air-Cond. ADRIANA THEATRE, 54th St. JU 6-3787
Evenings at 8:30. Mats. Wed. & Sat. 2:30

ETHEL MERRMAN ROCKS BROADWAY

IN HAPPY HUNTING—Atkinson, Times

ETHEL MERRMAN IN

HAPPY HUNTING

FERNANDO LAMAS

Air-Cond. MAJESTIC, W. 44th St. Wed., Sat.

"Wonderful—Simply Wonderful" Chapman, News

LIL' ABNER

An Original Musical Comedy

ADAMS STURDY PALMER

HOWARD STURDY PALMER

ST. JOHN STURDY PALMER

Air-Cond. ST. JAMES THEATRE, 44th St. LA 4-6864

"ONE OF THE BEST MUSICALS OF THE CENTURY"—Atkinson, Times

REX JULIE

HARRISON ANDREWS

IN CRITICS' PRIZE MUSICAL

MY FAIR LADY

Mail Orders Filled. Even 8:30. 8:05, 7:30, 6:30, 5:30, 4:30, 3:30, 2:30. Tax Incl. List alternate dates.

Air-Cond. MARK HELLINGER, 81 St. W. B'way.

"Hit Musical"—Coleman, Mirror

GWEN VERDON

THELMA RITTER

IN THE NEW MUSICAL

NEW GIRL IN TOWN

Air-Cond. 46th St. THEATRE, W. 46th St. CI 4-3771

Evening at 8:30. Mats. Wed. & SAT. at 2:30

"HIGHLY AMUSING COMEDY"—Barron, A.P.

TOM EWELL IN

THE TUNNEL OF LOVE

JORDAN BENTLEY KAYE LYDER

Air-Cond. ROYAL, 242 W. 45th St. CI 5-7888

Evening at 8:30. Mats. Wed. & SAT. at 2:30

AMUSEMENTS

TODAY 3:00 P.M. Cent B de Mille

at 5:00 P.M. The Gen

Commandments

CRITERION

EXTRA SHOW SAT. 9:30 A.M.

Children 1/2 Price at All Times

RADIO CITY MUSIC HALL

"THE JAZZ GAME"

JOHN BARRY - CAROL HAWLEY

A Warner Bros. Picture in WARBURTON

and WARBURTON THEATRE PRESENTING

HOTELS AND RESTAURANTS

going to Dallas?

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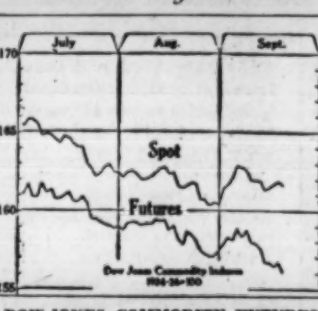
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2-52326

Commodity Indexes



DOW-JONES COMMODITY FUTURES INDEX during week ended Friday September 20 declined 1.54 to 156.82. A year ago the Futures Index was 160.45.

DOW-JONES SPOT COMMODITY PRICE INDEX during same period was off 0.35 at 161.82. A year ago the Spot Index was 164.22.

free market," Mr. Liebenow said. The Department, he continued, "has given the good old 'double cross' to the poor innocent farmer who complied with Federal acreage controls this year."

"Even worse is the fact that the Department will pay 'hush money' to those poor lambs who are in their fifth year of waiting for 100% of parity in the market place."

The president of the world's largest center for the trading of grain futures blamed declining corn prices on "dumping operations" of the Commodity Credit Corp., the Government's price propping agency. He said the decision to support prices for non-compliance corn was correctly predicted by grain traders some months ago as a result of the "fire sale" conducted by C.C.C.

Mr. Liebenow said C.C.C. has indicated it will handle more than two-thirds of the corn merchandising business in the country for the ensuing year. "How long," he asserted, "can the free market exist under such apparent planned insanity?"

Highlights of Friday's markets follow:

Corn—Off 1/4 to 1 cent a bushel at Chicago. Soybeans—Unchanged to off 1/4 cent a bushel at Chicago.

Lard—Off 20 to 25 points at Chicago.

Rubber—Off 30 to 35 points at New York.

London was up 15 points with Singapore up 4 to 21 points.

Coffee—Off 20 to 25 points at New York.

Cocoa—Off 25 to 30 points at New York.

Sugar—World contract unchanged to off 13 points. Domestic contract was unchanged to up 1 point.

Wool—Off 5 to 10 points at New York.

Copper—Off 20 to 25 points at New York.

Zinc—Off 5 points at New York.

Onions—Unchanged to off 2 cents per 50 pounds at Chicago.

Eggs—Off 60 to 75 points at Chicago.

Irregular

Wheat—Off 1/4 to 1/2 cent a bushel at Chicago. Minneapolis was unchanged to off 1/4 cent with Kansas City off 1/4 to 1 cent.

Rye—Off 1/4 to 1/2 cent a bushel at Chicago. Winnipeg was off 1/4 to 1/2 cent.

Potatoes—Up 2 to off 4 cents per 100 pounds at New York.

Hides—Off 26 to 28 points at New York.

Cotton—Off 3 to 4 points at New York.

New Orleans was off 2 to 3 points.

Cottonseed Oil—Off 1 to 1 1/2 points at New York.

Higher

Soybean Oil—Unchanged to up 2 points at Chicago.

Oats—Unchanged to up 1/4 cent a bushel at Chicago. Minneapolis was up 1/4 cent with Winnipeg unchanged to up 1/4 cent.

Flaxseed—Up 1/4 to 1/2 cents a bushel at Winnipeg. Minneapolis was off 1 cent.

Rubber Markets

LONDON—Rubber futures closed quiet Friday and October-December was 25 1/2 pence, up 1/4 from Thursday's close (American equivalent, basis \$2.80 for sterling, 29.44 cents). January-March was 25 1/2, up 1/4 (30.02), April-June 26 1/2, up 1/4 (30.46), and July-September 26 1/2, up 1/4 (30.75).

Singapore futures closed slightly steadier and October, in Straits cents per pound, was 85 1/2, up 1/4 (28.50), and December 86 1/2, up 1/4 (28.85).

Sugar Distribution

WASHINGTON—The Agriculture Department announced that distribution of sugar by primary distributors during the week ended September 14 rose to 191,844 short tons, raw value, compared with 187,964 the week before, and 195,763 during the corresponding week of last year.

Total distribution for civilian and military use since January 1 is 6,190,000 tons, compared with 6,304,000 in the like period of 1956.

Deliveries by the three types of primary distributors during the week ended September 14 were: Refiners, 136,309 short tons; beet processors, 46,458, and importers, 9,097.

CCC Sells Cotton for Export

WASHINGTON—The Commodity Credit Corp. sold 17,472 bales of upland cotton for export at an average price of 27.24 cents a pound at competitive bidding on September 17. This transaction brought the net sales of upland cotton under the program since last March 19 to 3,679,510 bales.

NEW YORK—COTTON

Sept. 23 32.50 32.50 32.50 -02 32.50 29.80

Mar. 32.50 32.50 32.50 -02 32.50 32.41

May 32.50 32.50 32.50 -02 32.50 32.41

July 32.50 32.50 32.50 -02 32.50 32.41

Sept. 32.50 32.50 32.50 -02 32.50 32.41

Nov. 32.50 32.50 32.50 -02 32.50 32.41

Dec. 32.50 32.50 32.50 -02 32.50 32.41

Jan. 32.50 32.50 32.50 -02 32.50 32.41

Feb. 32.50 32.50 32.50 -02 32.50 32.41

March 32.50 32.50 32.50 -02 32.50 32.41

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Dec. 32.50 32.50 32.50 -02 32.50 32.41

Jan. 32.50 32.50 32.50 -02 32.50 32.41

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March 32.50 32.50 32.50 -02 32.50 32.41

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May 32.50 32.50 32.50 -02 32.50 32.41

June 32.50 32.50 32.50 -02 32.50 32.41

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Aug. 32.50 32.50 32.50 -02 32.50 32.41

Sept. 32.50 32.50 32.50 -02 32.50 32.41

Oct. 32.50 32.50 32.50 -02 32.50 32.41

Nov. 32.50 32.50 32.50 -02 32.50 32.41

Dec. 32.50 32.50 32.50 -02 32.50 32.41

Jan. 32.50 32.50 32.50 -02 32.50 32.41

Feb. 32.50 32.50 32.50 -02 32.50 32.41

March 32.50 32.50 32.50 -02 32.50 32.41

Wholesale Price Index Falls

WASHINGTON—Wholesale prices slipped slightly during the week ended September 17, the Government reported.

The decline lowered the Labor Department's wholesale price index by 0.3%, to 117.8% of the 1947-49 level.

Prices of farm products and processed foods were lower, while prices of all commodities other than farm and food items remained unchanged, the agency said.

Here's the wholesale price index for the week ended September 17 based on 1947-49 equivalent 100:

Commodity Group: All commodities 117.8, Farm products 117.8, Processed foods 117.8, All commodities other than farm and food 117.8.

Cash Prices

Friday, September 20, 1957

FOODS

Flour, hard winter NY cvt 32.50, 32.50, 32.50

Corn, No. 2 yellow NY cvt 32.50, 32.50, 32.50

Soybean meal, 48% protein NY cvt 32.50, 32.50, 32.50

Wheat, No. 2 hard NY cvt 32.50, 32.50, 32.50

Rye, No. 2 NY cvt 32.50, 32.50, 32.50

Oats, No. 2 white NY cvt 32.50, 32.50, 32.50

Barley, malting NY cvt 32.50, 32.50, 32.50

Beans, No. 2 white NY cvt 32.50, 32.50, 32.50

Peas, No. 2 green NY cvt 32.50, 32.50, 32.50

Lentils, No. 2 green NY cvt 32.50, 32.50, 32.50

Chickpeas, No. 2 green NY cvt 32.50, 32.50, 32.50

Flaxseed, No. 2 green NY cvt 32.50, 32.50, 32.50

Soybean oil, 48% protein NY cvt 32.50, 32.50, 32.50

Cottonseed oil, 48% protein NY cvt 32.50, 32.50, 32.50

Linseed oil, 48% protein NY cvt 32.50, 32.50, 32.50

Safflower oil, 48% protein NY cvt 32.50, 32.50, 32.50

Mustard oil, 48% protein NY cvt 32.50, 32.50, 32.50

Castor oil, 48% protein NY cvt 32.50, 32.50, 32.50

Vegetable oil, 48% protein NY cvt 32.50, 32.50, 32.50

Animal fat, 48% protein NY cvt 32.50, 32.50, 32.50

Butter, 48% protein NY cvt 32.50, 32.50, 32.50

Cheese, 48% protein NY cvt 32.50, 32.50, 32.50

Eggs, 48% protein NY cvt 32.50, 32.50, 32.50

Poultry, 48% protein NY cvt 32.50, 32.50, 32.50

Beef, 48% protein NY cvt 32.50, 32.50, 32.50

Pork, 48% protein NY cvt 32.50, 32.50, 32.50

Lamb, 48

Government Cites GM-DuPont Case In Seeking to Bar Steel Merger

Brief Asks Ruling Now on Ban Against Bethlehem Steel, Youngstown Consolidation

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Government's new trust-busting power under the Supreme Court decision in the Du Pont-General Motors antitrust case now faces its most important test.

Justice Department officials drew support from their Du Pont-G.M. victory to further their attempt to block the proposed merger of Bethlehem Steel Corp. and Youngstown Sheet & Tube Co. A new brief, backing up the suit begun late last year, was filed with Federal District Judge Edward Weinfeld in New York City.

The Government wants the court to rule immediately against the proposed merger without holding a full-scale trial. The judge is expected to rule on the request in November. Bethlehem said it would appeal to the U. S. Supreme Court if the decision favors Uncle Sam.

What is finally decided in the Bethlehem-Youngstown case will go a long way toward defining the scope of the Government's antitrust powers under the Du Pont decision. Officials are eager to get a line on how far they can go in other merger cases. Antitrust Chief Victor Hansen has said he hopes the Du Pont decision will help him in all other merger cases.

Bethlehem's proposed merger with Youngstown stands as one of the most important antitrust battles in years. Bethlehem ranks second and Youngstown fifth in the steel industry's list of major producers. Sales of the combined company would be around \$3 billion a year.

Move Toward Monopoly Feared

The Government's basic charge is that the Bethlehem-Youngstown combination would violate the antitrust laws by lessening competition and tending toward monopoly. The companies argue the merger would increase rather than lessen competition by giving them a stronger position in an industry dominated by big U. S. Steel Corp.

Evidence of the Du Pont decision's influence was prevalent in the Government's new argument. On the basis of the Supreme Court ruling, the Justice Department contended the Bethlehem-Youngstown consolidation would be illegal even if only a "reasonable probability" existed that the result would lessen competition substantially or tend toward monopoly.

The Government contended that under the Du Pont decision it does not have to prove the existence of actual restraints or monopolies at the time of a merger but only that they are likely to occur.

"In short," the trustbusters declared, "the combination of Youngstown and Bethlehem's percentage share of iron and steel industry production of sales, and the resultant elimination of a substantial integrated competitor,

particularly in the light of the present competition between the two companies, the paucity of new integrated entrants, and their history of past acquisitions, transgressed" the antitrust laws.

Threat to Competition

Also, the Government pointed to the Du Pont decision to contend the merger would be illegal if it threatened to lessen competition in "any economically significant line" no matter how small a part of each company's business.

Despite the fact that Du Pont's sales of auto finishes constituted only about 1.9% of total Du Pont volume, the Government noted the Supreme Court held the chemical company's influence in G.M. affairs had an illegal effect in this line of commerce.

Trust-busters took pains to differ strongly with Bethlehem-Youngstown's argument that the merger would give them a stronger competitive position against U. S. Steel.

If the merger of the second and fifth largest steel companies may be justified on the ground that it would provide more effective competition for the top company, the department contended, then similar reasoning would justify a merger of the third and fourth largest.

Other Mergers Might Result

"Other combinations would then also be excused, subject only to the condition that any resulting company should not be larger than United States Steel," the department declared. "The inevitable result of such a process would be drastically to increase industry concentration."

The Government brief made no mention of the companies' contention that the merger would allow needed expansion of steel facilities through enlargement of Youngstown's existing Midwestern plants rather than Bethlehem building a new one. In papers opposing the Government's case, the companies said last week Bethlehem planned to spend \$358 million to expand the Youngstown plants if the merger is approved.

The elimination of Youngstown as a strong, independent competitor "constitutes precisely the evil" Congress had in mind when it amended the Clayton Antitrust Act in 1900 to limit future increases in economic concentration, the brief added.

The trustbusters said the merger would combine in a single company approximately one-fifth of the nation's production of basic iron and steel. "The merger would make Bethlehem the largest in the industry in hot rolled sheets and track spikes," the brief asserted, "and would significantly strengthen its position in basic iron and steel production."

Steel Output Is Slated To Rise in Two Areas, Fall in Third This Week

Chicago Schedules Large Boost; Pittsburgh Will Be Up a Bit; Youngstown Forecasts Drop

By a WALL STREET JOURNAL Staff Reporter

PITTSBURGH — Steel production is scheduled to rise in two major steel-making centers this week and drop in a third. Output in the Chicago district is scheduled at 10 percentage points above last week's rate of 74.9% of capacity. The rate last week reflected the aftermath of a strike at a big mill. The Pittsburgh district's rate will rise only slightly, to 84.9% of rated capacity from 84.4% of capacity last week.

In Youngstown, a drop of two or three percentage points is forecast from last week's operations at 79% of capacity.

Nationally, steel production has been hovering around 82% of capacity for a month. Last week it was scheduled to dip slightly to 81.1% from an 81.9% rate the week before.

Steel companies expect production to rise in the fourth quarter, with most steel men predicting an industry rate in the 85% to 90% range for the final period of the year. Some producers are beginning to shave their forecasts a bit, though, because buying hasn't stepped up as sharply as they were anticipating it would a month or so ago.

Orders are showing mild improvement, according to steel producers, but they emphasize there has been no spectacular change in demand in recent weeks.

Buying by the auto industry, steel's biggest single customer, is disappointing many steel men. They had looked to Detroit to increase steel orders markedly this month, but so far no major pickup in buying has materialized. The auto companies use large amounts of cold-rolled sheets, a big volume steel product which has been in sluggish demand for several months.

One Midwest steel producer whose auto business has shown very little improvement in recent weeks said last week he had concluded auto makers intended to follow a cautious policy with 1958 models and keep production in line with sales. Such a policy would of course be reflected in steel orders from the auto companies, he noted. "What we have seen of the October-November order pattern from the auto folks tends to confirm this trend," he observed.

Commenting on over-all steel business last week, a sales official of a major producer said: "Structurals and most plates are tight. Once you get beyond that there's plenty of room for orders. As for the fourth quarter, the bottom isn't going to fall out, but we don't see any booming, rosy future."

Scrap Prices Ease

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA — Steel scrap prices here dropped \$2.50 a ton for all grades, bringing prices to 1957's lowest level.

A dealer said the new price brought No. 1 heavy melting steel to \$43; No. 2 heavy melting to \$39 and No. 2-bundles to \$34.

"It's the same reason," the dealer said, "there's no demand." Only small tonnages have been sold, he explained.

Export of scrap from Philadelphia, which has held at a high level through the summer, particularly in July and August, remains high, this dealer said.

Demand for export scrap was generally credited in recent months with propping scrap prices in the Philadelphia market.

Canadian Store Sales Up

OTTAWA — Department store sales in Canada in the week ended September 14 topped the like week of 1956 by 2.4%, the Bureau of Statistics reported.

Bethlehem Steel Says It Has Feasible Plan For Atomic Destroyer

Official States Concern Is "Far Along" in Design of Nuclear Power Plant for Such a Ship

QUINCY, Mass. — (AP) — Bethlehem Steel Co. has developed a feasible design for an atomic powered destroyer, a company official said.

The official, who declined to be quoted by name, said Bethlehem engineers "can see the consummation of plans to overcome the problems of integrating a nuclear power plant into a ship the size of a destroyer."

Bethlehem has been awarded a Navy contract for construction of the first atomic powered surface craft, a cruiser, the keel of which will be laid "in the very near future," he said.

"The problems of integrating a nuclear power plant into a destroyer are much greater than with the cruiser because the destroyer is so much smaller," the official noted, adding: "We are very far along in the design of a destroyer-size nuclear power plant and we believe it is very feasible."

He emphasized that Bethlehem has only a design contract for the atomic powered destroyer. This means, he said, that the company was assigned by the Navy to determine the practicability of such a ship.

The official estimated Bethlehem "will be ready by mid-1958 to go ahead with the construction of the destroyer if the Navy agrees."

The official explained that when the design is completed, it will be submitted to the Navy. Then, he said, it will be up to the Navy to award the contract for construction of the vessel.

He emphasized that the contract to build the ship is not necessarily given to the company that designs the ship, but in general that procedure is followed.

Republic Steel Officer Sees Below Capacity Output Through 1961

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — The sales vice president of Republic Steel Corp. of Cleveland forecast steel producers will likely be operating at below capacity during the 1958 to 1961 period as a result of the industry's expansion program.

"In fact, during part of this period," said Republic's Norman W. Foy, "demand may be considerably under capacity, particularly if expansion continues—as it is likely to do—after 1959." He spoke at a session of the National Industrial Conference Board's fifth marketing conference.

Mr. Foy said there was nothing alarming about this, since capacity today means a lot more steel than a few years ago. For example, ten years ago, the steel industry would have had to operate at 130% of capacity to make as much steel as was made in the first half of this year at 91.6% of capacity, according to Mr. Foy.

He added that it would be "all to the good" if the industry operates at high production but short of capacity. It will permit each company to use its most efficient facilities, tend to reduce high-maintenance costs and leave a margin for emergencies, he said.

Mr. Foy noted the big gains in capacity made by the industry in recent years. By the end of 1957, capacity will have been hiked to 141 million ingot tons from 92 million tons at the end of the war. Further expansion will bring the total to 145 million tons by the end of 1959, Mr. Foy said.

Discussing the general business outlook, Mr. Foy said the business community is "pausing briefly to take stock before moving on to higher ground. But even the 'pause' represents a level of business that would have been thought fantastic as a forecast at the end of World War II, and I think we can expect that level to hold firm, with perhaps a modest upturn in late 1957 and 1958."

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